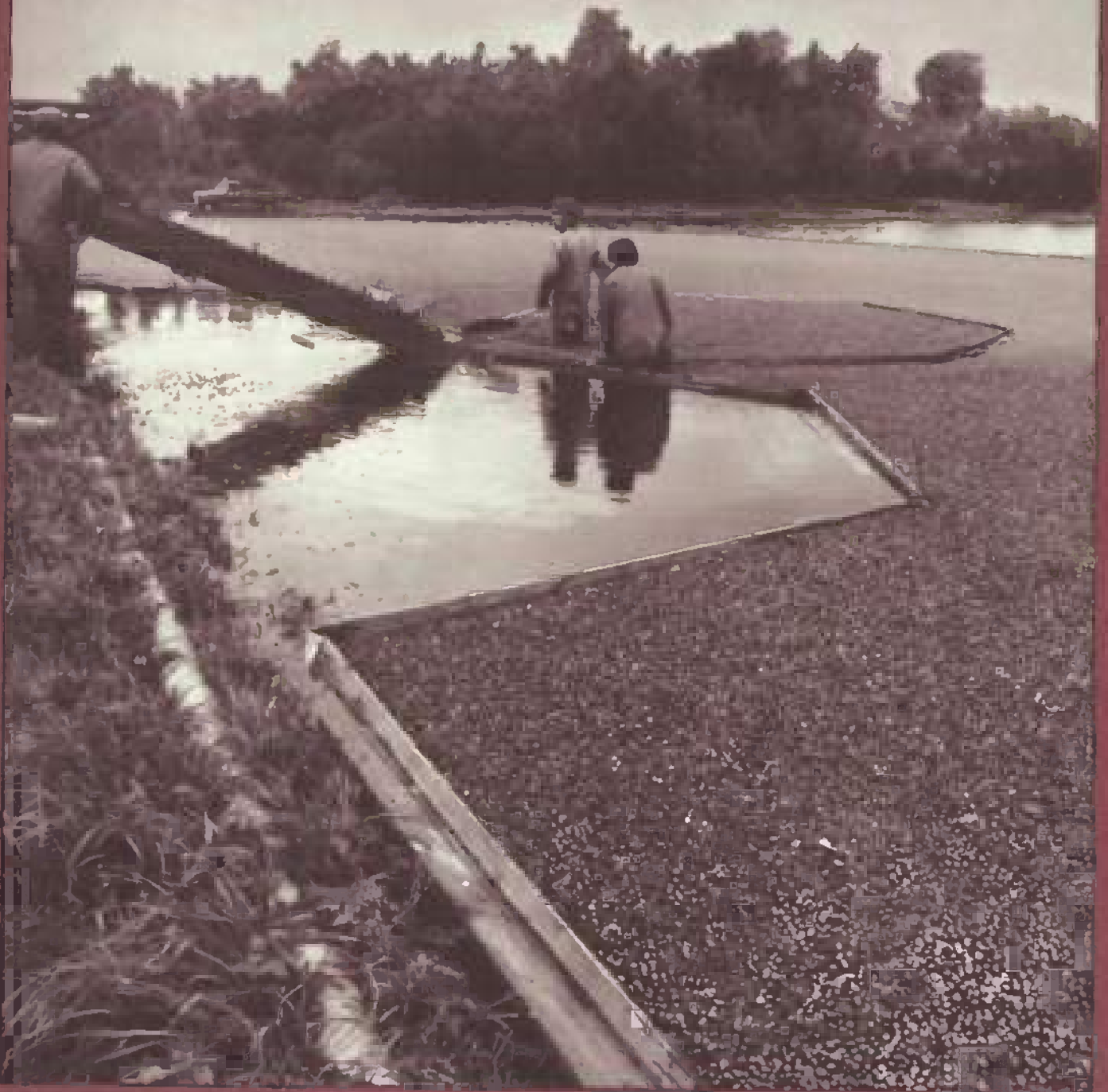


AGRICULTURAL OUTLOOK

November 1984

● Economic Research Service
United States Department of Agriculture



AGRICULTURAL OUTLOOK

November 1984/AO-104



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In Brief. . . News of Farm Income, The Economy, World Soybean Prospects

Domestic demand for agricultural products continues strong. Real disposable income for 1984 is expected to be up about 7 percent from last year, while food prices are rising only moderately, about 4 percent. Farm exports came to \$38 billion in fiscal 1984, 9 percent above 1983. Agricultural imports were nearly \$19 billion, up 15 percent, in part because of the strong U.S. recovery. With some debt restructuring and continued recovery in the developing countries, the volume of U.S. exports could expand during fiscal 1985.

Fourth-quarter beef production will be greater than earlier anticipated because a larger number of cattle on feed were reported on October 1. Hog slaughter has also been higher than expected. Because of poor returns this year, pork producers may have decided to slaughter some gilts instead of retaining them for the breeding herd. Turkey supplies for Thanksgiving are likely to be slightly below a year ago, and prices will probably be somewhat higher. Broiler meat output in the fourth quarter is expected to be about 8 to 10 percent above last year's reduced levels.

The U.S. wheat crop, at 2.57 billion bushels, is the third largest on record and a 6-percent increase over 1983. Wheat supplies are also record high, but so is disappearance. June-September exports were more than one-third ahead of a year earlier, mainly reflecting robust buying by the USSR.

Rice supplies will continue to build. Weak demand—especially foreign—and record-setting yields mean that total carryover stocks will equal almost 40 percent of this year's crop.



Until recently, soybean prices had fallen steadily since last May. However, reduced U.S. yield prospects and harvest delays have buoyed prices somewhat lately. Beginning stocks for 1984/85 are well ahead of last season, but total U.S. supplies may still be the lowest in 5 years.

World oilseed production is recovering from last year's sharp decline, with record output expected for cottonseed, sunflowerseed, and rapeseed. Protein meal demand will remain weak at least through the first-half of this season, but vegetable oil demand and prices will likely continue strong.

The 1984 U.S. cotton crop is estimated at 13.3 million bales, up 71 percent from last year's PIK-reduced levels. The national average yield is forecast at 620 pounds, 30 pounds above the 1982/83 record. As of October 30, 30 percent of the acreage was harvested.

The forecast of 1984 farm income is unchanged from September. Net farm income is still expected to be between \$29 and \$33 billion, as stronger crop output rebuilds inventories. Net cash income (including net CCC loans) is expected to range from \$34 to \$38 billion, compared with 1983's record \$40.1 billion. Increased cash receipts from marketings of crops and livestock will be outweighed by higher cash expenses and somewhat lower direct Government payments.

Consumer expenditures for U.S.-produced farm foods are expected to total \$332 billion in 1984, a 5.4-percent increase from 1983. While there will be a small increase in farm value, the majority of the rise in expenditures will come from higher marketing costs. The farm value is predicted to be \$86.2 billion, up only 1.5 percent from 1983.

Major indicators show the economy weakening significantly in late summer and early fall. This, however, is most likely a growth pause rather than the onset of another recession. Housing is the weakest sector of the economy, largely because of the late spring and early summer run-up in interest rates. Economic recovery will likely continue for at least another 2 to 4 quarters, although at slower rates. Typical forecasts show real gross national product up about 7 percent in 1984, slowing to about 3 percent next year.



Agricultural Economy

Despite improved demand for farm products and some moderating of production cost increases, financial stress remains in parts of the agricultural sector. Gross cash income for 1984 is expected to be up 1 to 3 percent from last year. However, cash production costs are estimated to have increased 6 to 8 percent from 1983, in part because of the sharp rise in planted area. Consequently, farmers' net cash income is estimated between \$34 and \$38 billion, down about a tenth from last year.

U.S. Economic Growth Shows Signs of Slowing

U.S. economic growth, as measured by the real gross national product (GNP), is expected to be a robust 7 percent for 1984. However, the rate of expansion appears to be slowing. Third-quarter real growth was 3.6 percent (annual rate), down from the 7.1 percent of the second quarter.

The prime rate was lowered recently from 13 to 12 percent, indicating some easing in credit demand. But, renewed pressure on interest rates is likely by yearend from Federal, consumer, and business credit needs. Nevertheless,

the Federal Reserve could reduce interest rate pressures by increasing the money supply and still be within its target range.

Inflation, as measured by the GNP implicit price deflator, is expected to be down over one-half point from 1983's 4.3 percent. On an annual basis, the inflation rate in the third quarter was 2.9 percent, down from 3.3 in the second quarter.

Demand for Farm Products Remains Firm

Domestic demand for agricultural products continues strong in 1984. Real disposable income is expected to be up about 7 percent, while food prices have risen only moderately—an estimated 4 percent. Real expenditures for food and beverages this year are expected to total \$193.4 billion, a 2.4-percent increase above last year. Although the nominal farm value of food expenditures is forecast to be \$86.2 billion—the highest in 5 years—most of the increase in food expenditures will go toward processing and marketing costs.

Agricultural exports totaled \$38 billion in fiscal 1984, 9 percent above 1983. Imports were \$18.9 billion, up 15 percent, in part because of the strong U.S. recovery. The agricultural trade balance was \$19.1 billion, up about 4 percent from a year ago.

The less developed countries (LDC's) appear to be gaining from the industrialized nations' recovery. Export earnings and financial inflows are expanding for the LDC's. The International Monetary Fund estimates that non-oil producing LDC's will increase their exports by 10 percent in 1984, up 6.7 percentage points from a year earlier. Financial inflows into the LDC's increased in the first quarter of 1984. This rise will ease the foreign exchange constraints that have curtailed some countries' imports.

More than half of Mexico's international debt was rescheduled by its creditors in September. As a result, Mexico's foreign-exchange problem should ease somewhat and imports could rise. In fiscal 1982, Mexican purchases accounted for 5 percent of the U.S. export value.

The volume of U.S. exports could expand during fiscal 1985 with some debt restructuring and continued recovery in the less developed countries and crop shortfalls in some importing nations. However, the dollar value of foreign sales may be down because large world supplies may cause lower prices. U.S. export volume in fiscal 1984 was 141 million tons, down 2.6 percent from a year earlier, the drop due in part to the strong dollar and tight supplies of oilseeds and products.

Major U.S. Crop Inventories To Rise in 1984/85

Although feed grain production this season is expected to be 70 percent above a year earlier, total supplies will increase by only 12 percent. Use will climb by 8 percent because of economic expansion, lower prices, larger available supplies, and crop shortfalls in a few countries. Corn exports for 1984/85 could be 2.1 billion bushels, the fourth largest total in history. Ending stocks for feed grains will be rebuilt to a modest level—20 percent of total use, compared with last season's 16 percent or 1982/83's 44 percent. Prices of corn, sorghum, and barley are expected to decline from year-earlier levels.

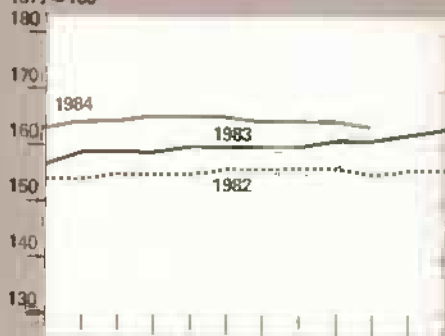
Ending U.S. wheat stocks will likely be 1.3 billion bushels, a decline from the past 2 years but still large enough to keep prices only modestly above the \$3.30 loan rate. Although use is expected to rise to a record 2.6 billion bushels, total supply of 4 billion bushels is also a record.

Tight soybean supplies are forecast to ease with a 21-percent increase in production. Nevertheless, the harvest will increase supplies only 8 percent, while use will rise by 5 percent. With a 43-percent rebound in ending stocks, the stocks-to-use ratio will be about 13 percent, up from last year's 10 percent but slightly less than 1982/83's 16 percent. The 1984/85 season average price could be \$.50 to \$.2 per bushel lower than the \$7.75 expected for 1983/84.

Prime Indicators of the Agricultural Economy

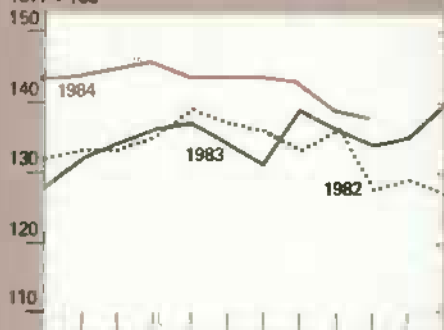
Prices paid by farmers¹

1977 = 100



Prices received by farmers²

1977 = 100

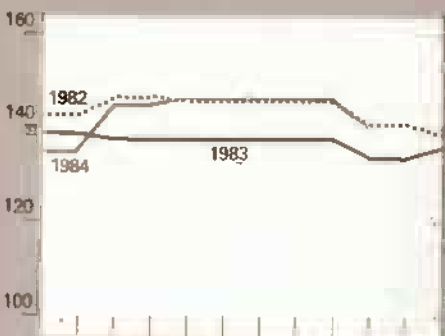


Ratio of prices received to prices paid

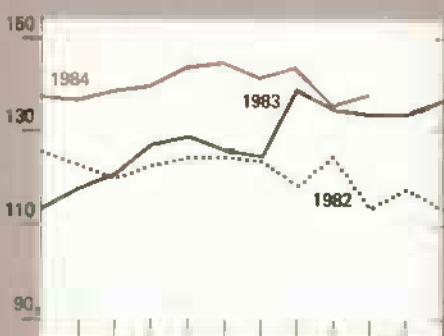
Percent



Fertilizer prices



All crops

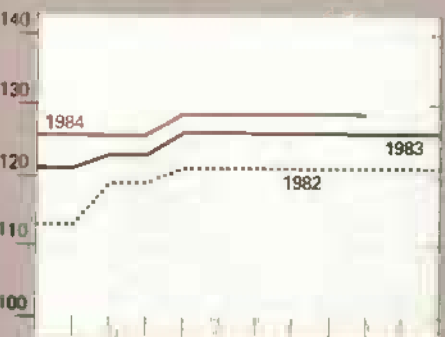


Livestock and products

1977 = 100



Agricultural chemicals



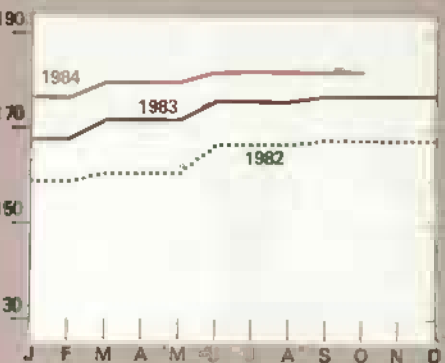
Food grains



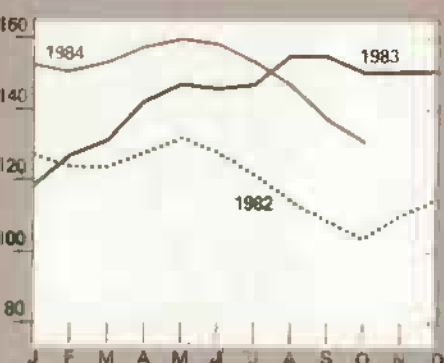
Meat animals



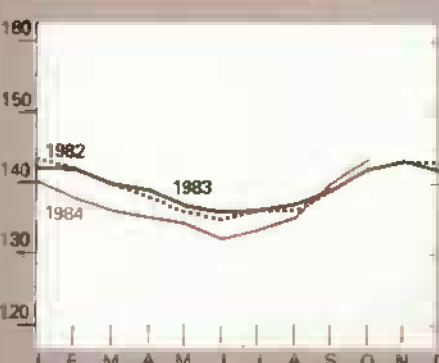
Tractors and self-propelled machinery



Feed grains and hay



Dairy products



¹For commodities and services, interest, taxes, and wages.

All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1977 = 100.
²For all farm products.

This season's ending stocks of cotton are expected to increase 64 percent to 4.6 million bales. Production is estimated to be about 13.3 million bales, 71 percent greater than last year, and total use is expected to be 11.6 million, 9 percent less than in 1983. The stocks-to-use ratio should rebound from 22 percent last year to 40 percent, but this will still be well below the 74-percent ratio in 1982/83.

Ending Stock Estimates for 1984/85 Affect Farm Programs

Farm programs announced in September for 1985 crops reflect ending stock projections for 1984/85 and 1985/86. Of the major commodities, feed grains require the least amount of acreage reduction. Feed grain participants must set aside 10 percent of their base to be eligible for non-recourse loans and deficiency payments. Rice, wheat, and upland cotton producers, however, must set aside 20 percent of their bases, in addition to required paid acreage diversion levels of 10 or 15 percent, to gain access to loans and deficiency payments.

Producers may request 50 percent of their deficiency and diversion payments when they sign up. These advance payments, which will be made between October and March, could total \$2.4 to \$2.5 billion. This large cash influx would certainly help farmers' cash flow.

Meat Supplies Remain Abundant

Although fourth-quarter red meat production is expected to be down from fourth quarter last year, total red meat and poultry production for calendar 1984 will likely be slightly higher than in 1983. Fourth-quarter broiler production will be up from last year, pork output will likely be down, and beef could be up about 1 percent. High feed costs reduced margins for most red meat producers, but broiler producers have had relatively good returns throughout 1984.

The imbalance in milk supply and use continues to lessen, but further reductions in the milk price supports are still anticipated in 1985. Net CCC purchases for 1984/85 are estimated at 7.3 billion pounds. Similar CCC purchases were 10.2 billion pounds for 1983/84 and 16.6 billion for 1982/83.

Financial Strains Linger

The agricultural sector's ability to service debt has declined somewhat because of a drop in net cash income, but net farm income—income generated from a given year's output—is expected to total \$29 to \$33 billion in 1984, up from \$16.1 billion in 1983. While this is welcome news, \$6 to \$10 billion will be accounted for by inventory accumulation. In contrast, 1983's net farm income included an \$11.7 billion inventory liquidation. Government payments in 1984 will likely fall below the \$9.3 billion of 1983, but they will still be an important contribution to gross cash income.

About a third of the large- and medium-sized farms have debt-asset ratios that imply financial stress. Two-thirds of total debt is held by operators with debt-asset ratios of more than 40 percent. Public policy and economic conditions will determine the rate at which this debt can be retired. (Lin Hoffman (202) 447-7340)

LIVESTOCK HIGHLIGHTS

• Cattle

Cattle on feed in the 13 quarterly reporting States were up 6 percent from a year earlier, according to the October 1 report. Placements during the third quarter were up 12 percent, while fed cattle marketings declined 4 percent from a year earlier.

Fourth-quarter beef production will be greater than earlier anticipated, because more cattle were reported on feed on October 1 than expected. This increase largely occurred because the number of heavier heifers on feed was up sharply, suggesting that producers are not yet expanding beef herds. A large number of the heavier heifers may originally have been retained for herd expansion.

Total beef production during the fourth quarter will be up about 1 percent from the third quarter. The greater production will be caused by a 5- to 7-percent increase in fed marketings. For all of 1984, beef production will rise about 2 percent above 1983. Some additional gains in fed beef production will likely be seen during first-half 1985, as larger numbers of lighter cattle on feed are marketed during late winter and early spring. However, total beef production during first-half 1985 may still be down 4 to 6 percent from first-half 1984, because of expected reductions in nonfed slaughter.

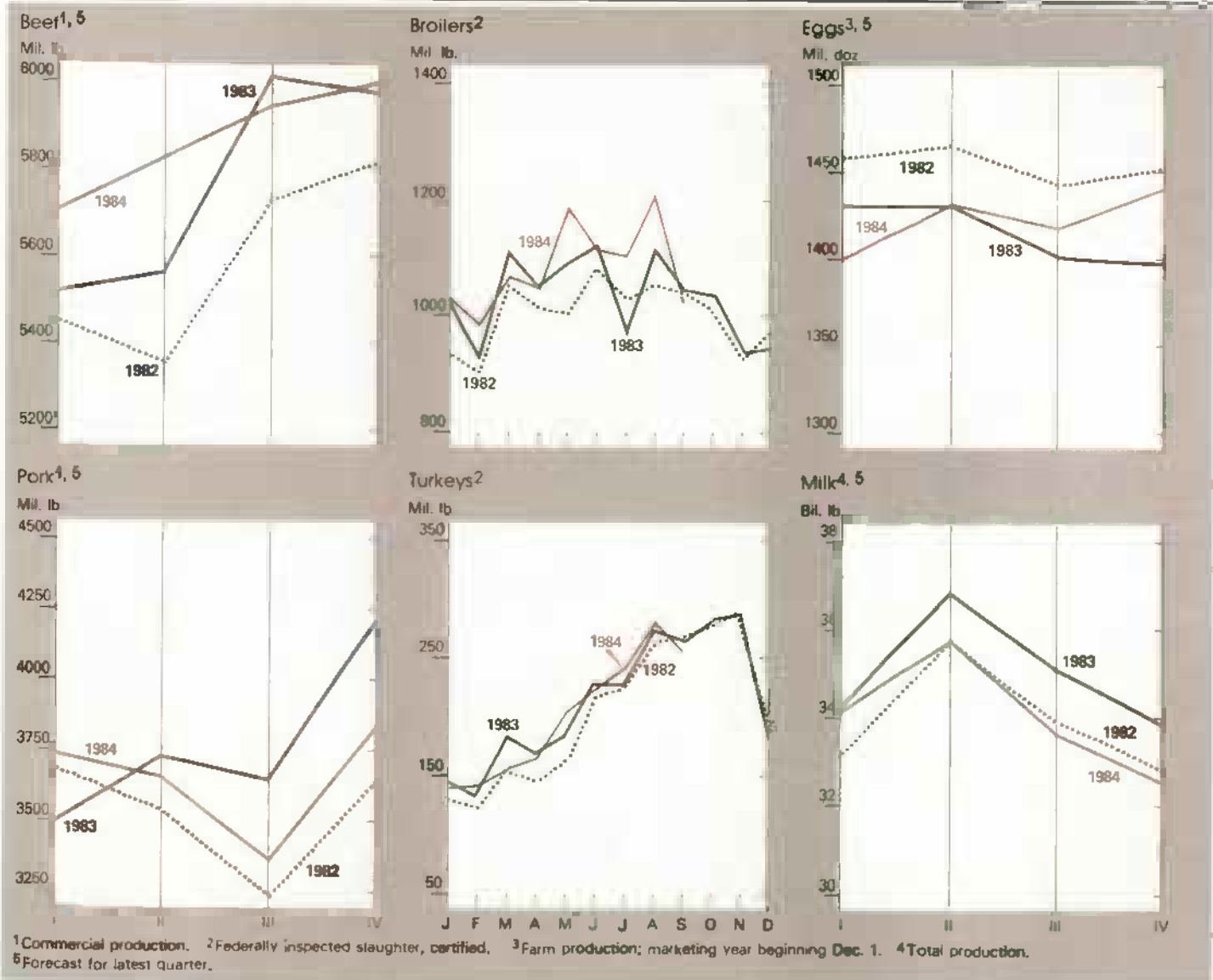
Anticipated larger corn supplies have already resulted in corn prices dropping at least 50 cents a bushel, and these lower prices likely will lead to an increase in Corn Belt cattle feeding. Cattle placed this fall will be marketed during the late winter and spring of 1985, depending on placement weights. A larger number of calves may be purchased this fall than last, because of the lower cost per head and cheaper cost of gain.

Omaha Choice steer prices averaged about \$64 per cwt during the third quarter. They probably reached a seasonal low in late summer, averaging about \$60 during the last week of September. During October, prices continued at this level, and they are not likely to strengthen above \$63 until late fall. As production declines during the first half of next year, prices will probably climb, reaching the upper \$60's by spring.

Yearling steers at Kansas City averaged \$64 during the third quarter and will probably average only in the mid-\$60's during the remainder of the year. Since fed cattle prices are likely to strengthen after the first of the year, feeder cattle prices should move higher, too.

Other factors supporting stronger feeder prices include lower corn prices and smaller feeder cattle supplies. The supply of feeder cattle outside feedlots

Supplies Update: Livestock and Products



on October 1 was estimated to be about 3 percent below a year earlier. The yearling supply was probably down 7 percent and the calf supply down 2.

Finally, competition for the smaller supply may increase as more calves are held for overwintering and additional stockers are placed on wheat pastures. Stocker operations with wheat pasture grazing have generally been profitable in the winter wheat region of Oklahoma, Texas, and Kansas. However, these programs may be limited because wheat pastures have grown poorly this year. Feeder cattle prices should remain at a premium to Choice cattle, possibly approaching \$70 by next spring. (John Nalivka (202) 447-8638)

• Hogs

Since mid-August, hog slaughter has been larger than suggested by the June 1 inventory of market hogs. This has prompted concern about the direction of the hog cycle. Intentions are still not clear. In early summer, the stage appeared to be set for the beginning of an expansion phase after the corn harvest this fall. Sow slaughter as a percentage of total slaughter in July and August averaged 6.4 percent, compared with 7.1 a year earlier, when the liquidation began.

As of September 1, producers in the 10 States conducting quarterly surveys indicated plans to have 5 percent fewer sows farrow in September-November than a year ago, rather than

the 7-percent decline indicated on June 1. Also on September 1, producers indicated they would have 1 percent fewer sows farrow during December-February than a year earlier. However, because of changing circumstances, actual farrowings may differ from reported intentions, and recent slaughter rates raise questions of whether producers may begin to take steps to expand this fall.

Feed costs declined below a year earlier in midsummer. Since September 1, the estimates for feed costs over the next year have been lowered, and the cost reduction normally would support expansion. But, a sharp decline in hog

prices more than offset the lower feed costs and put returns for farrow-to-finish producers below breakeven. Producers have had only 2 months (July and August) above breakeven in 1984.

Since returns have declined and some producers are having financial difficulties, the high slaughter rates in September and October relative to the past two market hog inventories (June 1 and September 1) suggest that producers may have decided to have fewer sows farrow in the next 2 quarters than indicated on September 1. In addition, the high slaughter rates raise the possibility that producers are marketing gilts that otherwise might have been retained for the breeding herd.

Hog prices in October averaged about \$43 per cwt, down \$3 from September. Although prices were up \$3 from a year earlier, they remained below breakeven levels. If pork production this fall declines the projected 9 percent from a year ago, prices should strengthen seasonally in the latter part of the quarter and average \$44 to \$46 for the quarter. If the September 1 farrowing intentions are realized, pork production will be below a year earlier through first-half 1985. Hog prices in the first half are expected to average \$48 to \$53 per cwt, compared with 1984's \$48. [Leland W. Southard (202) 447-8636]

•Turkeys

Turkey supplies for this Thanksgiving are likely to be slightly below a year earlier, and they will probably carry higher prices. The output of turkey meat from federally inspected plants totaled 775 million pounds in the third quarter, up 15 million from last year. The number of turkeys slaughtered totaled almost 50.3 million, off .5 million from last year. The average live weight was 19.4 pounds, up from 18.82 in 1983. Based on the number of poult placed for fourth-quarter slaughter, output then may be the same to 2 percent below the 759 million pounds produced in 1983.

Cold storage stocks of frozen turkey on October 1 were down 9 percent from last year. Whole turkeys were down 11 percent and parts down 3. With production likely off and cold storage stocks smaller, less turkey will be available and prices could rise.

Prices in the Northeast for commodity packed hen turkeys weighing 8 to 16 pounds averaged 72 cents per pound in the third quarter, up from 60 last year. Fourth-quarter prices may average 74 to 78 cents, up from 69 in 1983.

The corn price at the farm is expected to average \$2.65 to \$2.95 per bushel, down from \$3.20 for 1983/84. The other major ingredient in turkey feed, soybean meal, may average \$145 to \$165 per ton, down from \$188.20 in 1983/84. With feed costs likely to be lower than in 1984, total production costs for turkeys should be the same or lower.

Wholesale prices for turkeys have strengthened, so producers are increasing the number of poult placed. Both September placements and eggs in incubators on October 1 were 9 percent above last year, suggesting that October placements also were up. Output of turkey during first-quarter 1985 may be 8 to 10 percent above the 432 million pounds produced in 1984. During the second quarter, production may be 4 to 6 percent above 1984's 589 million pounds.

With smaller supplies of red meats expected in the first quarter, prices of hen turkeys may be stronger than a year earlier, despite larger supplies. Prices may average 66 to 70 cents per pound, compared with 1984's 68 cents. During second quarter, prices may average 63 to 69 cents, compared with 67 a year earlier. [Allen Baker (202) 447-8636]

•Broilers

Broiler meat output from federally inspected plants during the third quarter was about 3,335 million pounds, up 6 percent from third-quarter last year. The number of birds slaughtered was 4 percent above last year and the average weight was up 3 percent. The number of chicks placed for fourth-quarter slaughter was 7 percent larger than last year. If average slaughter weights continue above last year, broiler meat output in the fourth quarter may be 8 to 10 percent above the 2,917 million pounds produced in fall of 1983.

Broiler producers are likely to continue expanding output during much of 1985. The number of pullet chicks placed in the hatchery supply flock gives an indication of the number of hatching eggs producers expect to need in about 7 months. Although the number of placements has been up in

most of 1984, it was down in August. During September, however, placements rose again, up 6 percent from last year.

With red meat supplies below last year, broiler producers are likely to increase broiler output. During first-quarter 1985, production may be 5 to 7 percent above 1984's 3,082 million pounds. Output in the second quarter may be 3 to 5 percent above the 3,350 million pounds produced this year.

Based on the October crop report, the 1984/85 farm price for corn may average 25 to 55 cents a bushel below a year earlier. Soybean meal prices may average \$23 to \$43 per ton lower. Feed represents about 50 percent of the cost of producing broilers. Lower feed prices are likely to more than offset increases in other costs. Consequently, broiler production costs may be below first-half 1984 for the rest of 1984 and 1985.

The wholesale price of broilers in 12 cities during third-quarter 1984 averaged 54 cents per pound, the same as last year. Increased output has softened prices in October, and some weekly prices have slipped below 50 cents. During the fourth quarter, the 12-city price may average 47 to 51 cents, down from 55 last year.

With production expanding, the 12-city wholesale broiler price may average 48 to 52 cents, down from 62 this year. If red meat prices strengthen in the second quarter, prices for broilers could average 49 to 55 cents, near 1984's 56 cents. [Allen Baker (202) 447-8636]

•Eggs

Prices of cartoned Grade A large eggs in New York weakened seasonally in October, averaging 63 cents per dozen. This is down sharply from the short-supply price of 80.2 cents in October last year. During third-quarter 1984, eggs averaged 70 cents per dozen, compared with 74 in 1983.

The demand for eggs usually strengthens in November and December as additional eggs are used in holiday baking. During fourth-quarter 1984, prices may be near the third-quarter average, but they will be down

sharply from last year's 91 cents per dozen. Through mid-1985 at least, output is expected to surpass a year earlier. Prices during first-quarter 1985 will likely be around the fourth-quarter 1984 price, averaging 66 to 70 cents. Supplies should be larger than first-quarter 1984, when prices averaged \$1.03. Prices in second-quarter 1985 will likely weaken further and may average 62 to 68 cents, down from 1984's 83.

Expected weaker 1985 prices have reduced prospects for profitable egg operations. Even with lower feed component prices expected, costs through the first half may not fall as much as egg prices.

Egg production in third-quarter 1984 was 1,426 million dozen, compared with 1,399 million in 1983. The number of layers was up 2 percent from 1983, and the rate of lay was nearly the same—81.8 eggs per layer, compared with 82 last year. More replacement pullets will be entering the laying flock in the fourth quarter this year than last year. Thus, the number of hens will likely increase relative to 1983 and the rate of lay should remain near or above last year. During the fourth quarter, egg production may be 2 to 4 percent larger than the 1,419 million dozen of fourth-quarter 1983.

Since the pullets added to the laying flock late in 1984 will still be producing in first-half 1985, production then will likely be above this year. During first-quarter 1985, production may be 2 to 4 percent above 1984's 1,401 million dozen. A similar increase is expected in the second quarter. [Allen Baker (202) 447-8636]

•Dairy

In mid-October, the price paid by farmers for 16-percent dairy feed averaged \$179 per ton, down \$26 from January and \$20 from a year earlier. With prices received for all milk in October 30 cents per cwt higher than January, the dairy farmer was able to buy 155 pounds of grain for each cwt of milk sold—up 21 pounds (15.7 percent) from January and 16 pounds (11.5 percent) from a year earlier.

Corn and soybean meal prices are expected to stay low through harvest, so the cost of 16-percent dairy ration will likely remain below a year earlier at least until mid-1985, when new crop developments and demand will determine price. Meanwhile, milk prices

will increase more than seasonally this fall because of reduced supplies and stronger demand. Thus, the milk/feed price ratio will continue to improve this year, and it is expected to remain above a year earlier in the first months of 1985.

Output per cow for 1984 is likely to be down about 0.6 percent from 1983, because of concentrate feeding reductions and other management changes. On July 1, concentrate feeding was 5 percent below last year, but on October 1, it was down only 2 percent. With an improved milk/feed ratio this fall, dairy farmers may increase the rate of grain feeding, so the drop in output per cow, which was 1.3 percent during July-September, is expected to moderate.

In 1985, yield per cow is anticipated to move above a year earlier as the effect of the diversion program ends. For the year, output per cow is projected to be up 1 to 2 percent, compared with an average gain of nearly 2 percent per year from 1980 to 1983.

In September, the dairy cow herd was 317,000 head (2.8 percent) below the November 1983 peak. However, the herd has increased 32,000 head since July. Given the very large number of dairy replacement heifers on farms July 1, the herd could be maintained near current levels despite seasonally large culling, resulting in annual cow numbers averaging about 2.2 percent below 1983.

At the beginning of 1985, the dairy cow inventory will be below a year earlier. The number of cows on farms may increase as the diversion program ends, but the gains could be limited by lower milk prices (assuming the support level will be reduced by 50 cents per cwt on both April 1 and July 1). For the year, the average number of cows is projected to be unchanged to 2 percent below 1984.

Milk production is expected to be down about 4 percent for the rest of 1984. Total milk production this year will likely be about 3 percent below 1983's 140 billion pounds. In 1985, production is expected to range from 1 percent below to 1 percent above 1984. [Cliff Carman (202) 447-8636]

CROP HIGHLIGHTS

•Wheat

The 1984 U.S. wheat crop, at 2.57 billion bushels, is the third largest harvest on record and represents a 6-percent increase over 1983. One reason for the upturn was lower grower participation in the acreage adjustment program than last year. In addition, generally good weather produced above-average yields—only six-tenths of a bushel under the 1983 alltime high of 39.4 bushels an acre.

This large crop maintained record wheat supplies of just under 4 billion bushels. Given heavy early-season foreign purchases, prospects point to record disappearance of U.S. wheat in the 1984/85 marketing year. The June-September export pace was about a third above the same period a year ago. Much of this expansion reflects robust buying by the Soviet Union and China. By mid-October, their purchases totaled nearly 9 million tons, compared with 3.8 million a year ago.

For this season, total exports are forecast to rise 10 percent, with a record 805 million bushels of Hard Red Winter wheat going overseas. That would top the Hard Red Winter export high set in 1972/73.

Another favorable factor in this year's outlook is the forecast of heavy use of wheat as livestock feed. Indicated use early in the season is the highest ever. By next June 1, wheat carryover stocks may be down for the second straight season.

At 500.4 million tons, estimated 1984/85 global wheat production is a record. October's estimate is almost 1 million tons above the September forecast, and 12 million and 22 million larger than 1983/84 and 1982/83, respectively. An increase in forecast yields more than offset a 1-million-hectare reduction in forecast area.

Production estimates for the major export competitors (Argentina, Australia, Canada, and the EC) rose by more than 3 million metric tons in October to over 122 million. At more than 74 million tons, EC production is up 15 million from last year. However, Canada's and Australia's crops are 5.6 million and 4.6 million below 1983/84.

Except for the USSR and Brazil, few changes were made in production estimates for the major wheat importers. The forecast of Soviet production was

reduced by 3 million tons to only 75 million—the lowest since the disastrous 1975/76 outturn. Brazil's expected production was lowered 0.4 million tons and is well below last year's 2.1 million.

The world wheat trade forecast for 1984/85 (exclusive of intra-EC trade) was increased in October by more than 2 million tons to 105.2 million, with the bulk of the month-to-month increase because of expected larger imports by the USSR. The Soviet forecast was raised 2 million tons in October to an unprecedented 26 million. Soviet imports of the magnitude expected would surpass the record 20.5 million imported in 1983/84 and be 2.5 times the quantity of the world's next largest importer, China.

Much of the expected increase in Soviet imports will come from the United States and the EC. The sharply higher EC wheat production is likely to generate record EC wheat exports. At 18.5 million tons, expected 1984/85 EC exports were raised 1 million in October and are 2.5 million above last year. (Allen Schienbein (202) 447-8444 and Jim Cole (202) 447-8857)

• Rice

The domestic rice sector is headed for another huge supply imbalance, very similar to that which occurred in 1982/83 and prompted the 1983 PIK program. Forecasts for the 1984/85 season suggest that carryover stocks will be about 59 million cwt, equal to almost 40 percent of this season's crop.

The large carryover is expected to result from weak demand—especially foreign—and record-setting yields. The latter stem from good weather and the successful adaptation of new, high-yielding varieties of long grain rice. Nationally, average yields are estimated at 5,014 pounds per acre, up 9 percent from 1983/84. Had yields remained near a year earlier, the U.S. rice harvest would have been 10 million cwt less than the current estimate of 141 million.

Ending stocks of long grain, despite steady use, will likely top 30 million cwt this year. They may exceed medium/short grain carryover by as much as 10 million cwt.

Price forecasts for the 1984/85 season reflect the outlook for stocks and use, with farm prices of long and medium grain falling to loan levels. Season average prices are forecast in the range of \$8.00 to \$8.90 per cwt, with long grain ranging from \$8.65 to \$9.45 and medium/short grain from \$6.45 to \$7.45.

The 1985/86 rice program has been announced, and it includes a 20-percent acreage reduction and 15-percent cash diversion provision. The program will likely help restrain production, but sluggish domestic and foreign demand suggest that stocks will continue to build.

The October forecast for the world rough rice crop for 1984/85 was 451.7 million metric tons—virtually unchanged from September and 1.6 million tons larger than 1983/84. Foreign production is forecast at 445 million tons, down slightly from last year. But, the U.S. crop is expected to exceed last year's by almost 2 million tons, thus accounting for all of the expected world increase. Rice production in Thailand, the major export competitor of the United States, likely will be down 1.7 million tons from last year. Thus, production in countries that are either self-sufficient or importers will be up more than a million tons.

World supplies for 1984/85 are also enhanced by larger carryover stocks—17.1 million metric tons (milled basis), compared with 16.8 for 1983/84. Carryover stocks in the United States in 1983/84 were down by 0.8 million tons, but foreign-held stocks were up 1.1 million. Most of the increase occurred in nations that are self-sufficient in rice. Carryover stocks in the major foreign exporters are up slightly, while the major importers had smaller stocks.

Even with the drop in production in the major export competitors, U.S. exports are expected to decline 100,000 tons from the 2.3 million in 1983/84. (Barbara Stucker (202) 447-8444 and Larry Van Meir (202) 447-8857)

• Feed Grains

As of October 1, the 1984 U.S. corn crop was forecast at 7.5 billion bushels, 54 million below the September forecast and 170 million below August. The supply of corn for 1984/85 is placed at 8.22 billion bushels, nearly 1 billion more than last season.

The new crop accounts for 90 percent of this season's estimated supply, because carryover stocks on October 1 were only 722 million bushels, an 8-year low. Furthermore, about 626 million bushels of the carryover were in the farmer-owned reserve (FOR) or owned by the Commodity Credit Corporation (CCC), leaving free stocks (grain available to the market at current prices) at only 96 million bushels.

At first glance, free stocks that small seem inconsistent with the sharp drop in corn prices during September. However, corn prices have been under heavy pressure from the large wheat crop and the estimated 800-900 million bushels of new-crop corn harvested before October 1.

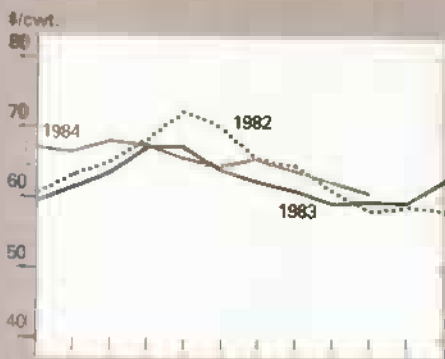
As 1983/84 came to a close, several changes were made in the corn use figures, most notably a revision in the feed and residual use estimate. Feed use for 1983/84 is now placed at 3.71 billion bushels, the smallest since 1976/77 and the first total under 4 billion bushels since 1977/78. Factors behind the drop in corn feeding included a sharp cut in feeding margins, which lowered feeding rates; low wheat prices; and a relatively high corn/sorghum price ratio.

Feed use of corn is expected to rebound to 4 billion bushels in 1984/85, as feeding margins improve. Compared with 1984, wheat prices next summer will likely rise relative to corn, somewhat reducing the amount of wheat fed.

Other uses of corn should rise this season as well. Exports are forecast at 2,125 million bushels, 250 million more than 1983/84. Reflecting increases in high fructose corn sirup and ethanol output, food, seed, and industrial (FSI) use of corn is forecast at 1,050 million bushels. These two products account for 45 percent of total FSI corn use.

Commodity Market Prices: Monthly Update

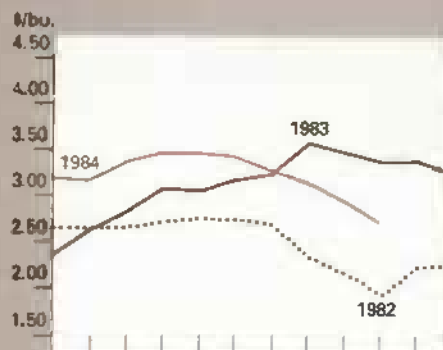
Choice steers¹



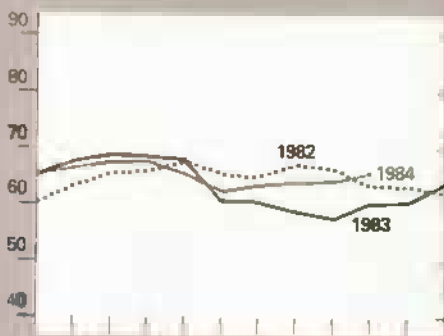
Broilers⁴



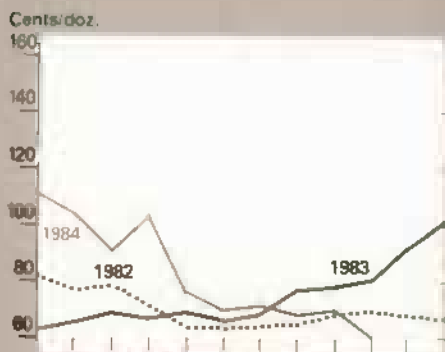
Corn⁶



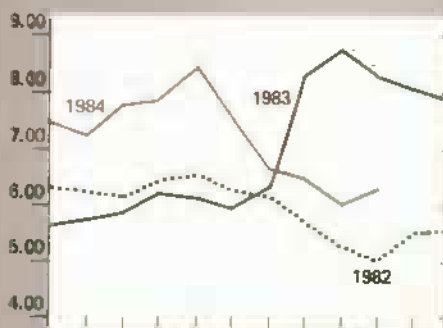
Choice feeder cattle²



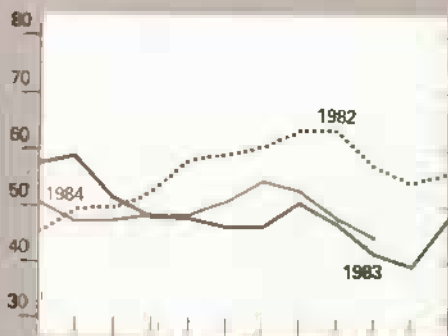
Eggs⁵



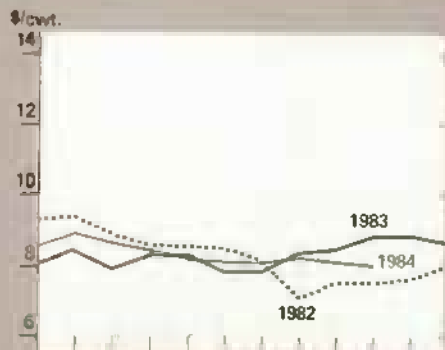
Soybeans⁷



Barrows and gilts³



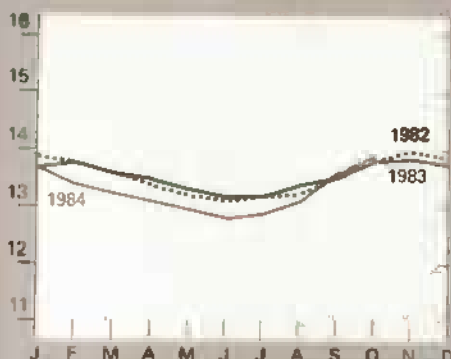
Rice (rough)



Wheat⁸



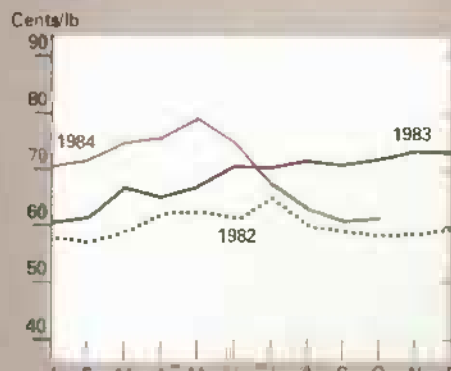
All milk



Sorghum grain



Cotton⁹



Prices for most recent month are mid-month prices.
¹Omaha. ²600-700 lbs., Kansas City. ³7 markets.

⁴Wholesale, New York. ⁵Grade A Large, New York.

⁶No. 2 Yellow, Chicago. ⁷No. 1 Yellow, Chicago.

⁸No. 1 HRW, Kansas City.

⁹Average spot market, SLM, 1-16."

Carryin stocks of corn on October 1, 1985, are expected to be 1.05 billion bushels, 45 percent above a year earlier. The amount of corn in the FOR or owned by the CCC could rise slightly, but the bulk of the increase will be in free stocks. Thus, farm prices will likely fall short of the \$3.20-a-bushel average for 1983/84. The 1984/85 average is projected between \$2.65 and \$2.95.

Except for oats, farm prices of the other feed grains will follow corn. The forecast ranges for season-average prices are: sorghum, \$2.40-\$2.65 (\$2.75 for 1983/84); barley, \$2.15-\$2.45 (\$2.50); and oats, \$1.60-\$1.90 (\$1.69).

World coarse grain production for 1984/85 was forecast in October at a record 784.2 million tons, down slightly from the September forecast, but still almost 96 million above last year. The forecast for foreign production, 552.4 million tons, was raised marginally from September.

Relatively large revisions were made for Western Europe and the Soviet Union. EC production continues to climb—1.8 million tons in October—and is forecast at a record 73 million tons, up 9 million from last year. The month-to-month increase in the EC crop reflects substantial adjustments in the barley crops in Denmark (up 800,000 tons), the United Kingdom (up almost 700,000 tons), and Ireland (up 350,000 tons). Bolstered by large revisions in barley and oat production in Spain and Sweden, the forecast for non-EC Western Europe was increased by almost 2 million tons as well.

The forecast for 1984/85 Soviet coarse grain production fell again in October. At only 84 million tons, it is 21 million lower than last season's output, but only about 1 million tons below the average of the previous 5 years.

As production prospects continue to dim in the USSR, projections of Soviet coarse grain imports have risen. Expected imports were increased 2 million tons in October. At 23 million tons, the total is second only to the 25.5 million imported in July-June 1981/82. However, that year, Soviet coarse grain production was estimated to be substantially below this year's crop. This year's large imports indicate a continued Soviet drive to expand livestock production through record animal inventories and improved animal rations.

Much of the expected 9.5-million-ton increase in world import demand for coarse grains will likely be met by the United States and the European Community. Record EC exports, forecast at about 6 million tons this year, will likely make the Community a net exporter of coarse grain for the first time. [Sam Evans (202) 447-8444 and Jim Cole (202) 447-8857]

• Oilseeds

U.S. soybean prices averaged \$6.06 a bushel (Central Illinois) during October compared with \$8.43 in May, and the price outlook will continue to be shaped by large supplies and weak demand. A recovery in planted acreage to 68.2 million has pushed expected 1984 production to almost 2 billion bushels. Increased production and unexpectedly large beginning stocks placed 1984/85 supplies well ahead of 1983/84, although these supplies will still be the second lowest in the last 5 years.

The season-average price of soybeans is expected to drop from \$7.75 a bushel in 1983/84 to between \$5.75 and \$7.25 in 1984/85, despite the modest size of the supply increase. The culprit is lagging demand.

The domestic crush is expected to reach only 1 billion bushels in 1984/85, since soybean meal demand will likely continue weak through the first half of the year. Pork producers, who are major users of soybean meal, have reduced hog inventories in response to last year's poor returns. Broiler producers, however, have had good returns, and will continue to expand, somewhat offsetting the weaker meal demand from the hog sector.

Soybean meal prices in the low \$140's are expected through the end of 1984. However, a turnaround could get underway next spring.

Exports of soybeans could rise in 1984/1985. A strong dollar, ample global oilseed supplies, increased crushing in competitor countries and only a small increase in world livestock will keep U.S. bean and meal export gains modest, though. Soybean oil exports are expected to decline.

Domestic demand for soybean oil could rise moderately to 9.75 billion pounds this year. Prices for the season should average 25 to 31 cents a pound, high compared with recent years, but below 1983/84. High prices, combined with greater supplies of alternative oils, will moderate increases in domestic soybean oil demand. The slight drop expected in oil prices, combined with sluggish meal demand, will take the steam out of the "crush for oil" situation that persisted in 1983/84.

For an assessment of the global oilseed situation, see the World Agriculture and Trade section of this issue. [Roger Hoskin (202) 447-8776]

• Peanuts

A record crop of 4.3 billion pounds is being harvested. Producers responded to favorable contract prices this spring, so harvested acres are expected to be the highest since 1955. Good growing conditions led to an anticipated record yield of 2,817 pounds an acre.

Carryin stocks were down about 30 percent from a year earlier, but the 1984/85 peanut supply is the second highest ever, exceeded only by 1975/76. Domestic food use is expected to increase slightly to about 2,125 million pounds, after declining a little in 1983/84. The decline in last year's use was caused primarily by the drought that cut supplies of Virginia-type peanuts.

Exports are expected to continue to increase from 1980/81's drought-induced plummet, running about 925 million pounds. Even with record use, ending stocks are likely to be up sharply to about 860 million pounds. The average farm price is forecast up slightly to around 25 cents a pound, reflecting the higher contract prices this spring. [Duane Hacklander (202) 447-8776]

• Cotton

The 1984 U.S. cotton crop is estimated at 13.3 million bales, up 71 percent from last year's PIK-reduced level. The national average yield is forecast at 620 pounds, 30 pounds above the 1982/83 record. As of October 30, 30 percent of the acreage was harvested. The only problem areas this year are in the Rolling Plains of Texas and Oklahoma and parts of the Delta. Drought limited planted acreage and is reducing yields on the Rolling Plains. Heavy rains in the Delta during October will probably reduce potential quantity and quality of cotton in that region.

The loan rate is limiting price declines, and farmers are looking forward to a 15- to 18-cent-per-pound deficiency payment. Deficiency payments plus the market price for cotton will average about \$460 an acre—about \$100 above the national average for cash production expenses plus labor and capital replacement costs. This fall's advance deficiency and diversion payments for the 1985 crop could improve cotton farmers' cash flow by about \$50 an acre of cotton base.

A reduction in the rate of real economic growth, from over 7 percent in 1984 to about half that in 1985, will lead to a 3- to 4-percent decline in cotton mill use during 1984/85. A 10-percent rise in cotton textile imports during 1984/85 could cause an additional 200,000-bale decline in mill use.

World cotton production is expected to reach a record 77.1 million bales in 1984/85, up almost 15 percent from last year. Foreign production may advance 7 percent, mainly because of continued increases in China and a sharp rebound in Pakistan. Several other countries—including Mexico, Brazil, and India—are also expecting significant increases. The foreign production estimate for October was raised 0.8 million bales from September, largely because of indications of a record outturn in China.

World mill use in 1984/85 may increase less than 2 percent from 1983/84, with a 4-percent advance in foreign use offsetting an expected drop in the United States. China, Pakistan, and the Soviet Union will account for most of the increase. Global stocks will rise sharply this year, possibly by 7 million bales. A decline in China's 1983/84 use caused a 0.6-million-bale increase in this year's global beginning stocks. In 1984/85, stocks will continue to pile up in China, and U.S. holdings could expand about two-thirds. World trade may expand almost a million bales in 1984/85, but U.S. exports will drop about 0.7 million from 1983/84's strong performance, to 6.1 million. As of October 4, U.S. shipments and outstanding sales totaled over 4 million bales, compared with 3.7 million a year earlier. However, as competitors' supplies begin to enter the market this fall, the rate of new commitments will decline, and U.S. exports will fall below year-earlier levels.

If U.S. exports reach the forecast total, this country's trade share will be around 30 percent, well below the 35 percent in 1983/84, but still above the 27 percent in 1982/83. [Terry Townsend (202) 447-8444 and Gerald Rector (202) 447-8912]

• Tobacco

As of October 1, U.S. tobacco output was forecast at 1.74 billion pounds (788,000 metric tons), up 22 percent from 1983. Better growing conditions improved leaf quality, and despite large supplies, prices at flue-cured auctions are averaging about 2 cents a pound higher than last season.

Flue-cured auctions ended in early November. Loan receipts surpassed 150 million pounds at the end of the fourth week of October. The receipts were about 19 percent of the crop, a little below last year.

The national marketing quota for the 1985 flue-cured crop must be announced by December 15. Individual farm quotas and allotments will reflect undermarketings and overmarketings of the current crop. USDA has asked for public comment on the size of the 1985 flue-cured marketing quota.

Price supports for flue-cured and other types of tobacco, except burley, will likely be unchanged in 1985. Under the Dairy and Tobacco Adjustment Act of 1983, support prices for all but burley can increase only if the 3-year moving average of prices paid by farmers (including wage rates, interest, and taxes) increases more than 5 percent. The index appears to be increasing 3 to 4 percent.

Burley support in 1985 will again be determined by the basic formula, which may permit a 3- to 4-percent increase. However, under the No Net Cost Tobacco Program Act of 1982, the Secretary of Agriculture may hold the increase to about 2 percent.

U.S. cigarette smoking in 1984 is likely to decline for the third consecutive year. Higher State and Federal taxes probably will contribute the most to the decline.

Reduced U.S. cigarette consumption and stable use worldwide continue to hold down demand for U.S. tobacco. Furthermore, the strong dollar discourages U.S. exports and encourages imports. [Verner N. Grise (202) 447-8776]

• Fruit

Larger crops are estimated for all citrus fruit except tangerines. October 1 prospects for the 1984/85 season (excluding California "other areas" grapefruit) indicate a crop of 11.5 million tons, 8 percent more than last season's freeze-damaged harvest, but still 15 percent below 1982/83.

The forecast for all orange production in Florida is 119 million boxes. This total is 2 percent above last season but 16 percent below 1982/83. California's orange crop is estimated at 62 million boxes, 28 percent more than last season, but 19 percent below 1982/83. At 2.7 million boxes, the Arizona crop is 50 percent more than last season, but well below the 1982/83 crop. Supplies from Texas are expected to be insignificant and are not being forecast because the December 1983 freeze severely damaged trees.

Orange prices are likely to decline seasonally from current high levels. However, demand is expected to grow because supplies of noncitrus fruit are smaller than last year and stocks of most processed orange items are reduced. Thus, rising demand combined with the smaller crops of early, mid-season, and navel oranges will help keep orange prices above a year ago through the early winter.

Output of most processed orange items, particularly frozen concentrated orange juice (FCOJ), is expected to be bigger in 1984/85 because of the larger Florida crop and higher juice yield. However, since the carryover is expected to be smaller than last year, the total domestic supply of FCOJ is not likely to rise much. In order to meet market demand, imports will probably remain heavy. Demand could rise as the economy continues to expand, supporting prices of FCOJ.

U.S. grapefruit prospects on October 1 were for a crop of 51.8 million boxes (excluding California "other areas" and Texas grapefruit), up almost 5 percent from 1983/84 (excluding California "other areas" but including Texas grapefruit). Florida's grapefruit forecast, 44.5 million boxes, is 9 percent more than last season. Crops in California and Arizona are expected to be up 14 and 67 percent, respectively, from last season. As with oranges, grapefruit supplies from Texas are expected to be insignificant and are not being forecast.

Demand for Florida grapefruit for the fresh market looks favorable because of the limited supplies available from Texas. Processor demand is also likely to rise, because carryover stocks of most processed grapefruit products are down substantially. Movement of grapefruit juice will probably continue to rise in view of the relatively good economy. Thus, the larger crop is not likely to exert any downward pressure on prices.

The 1984/85 Arizona-California lemon crop (tree crop available for harvest) is expected to total 26.8 million boxes, 26 percent more than last season. Despite the larger crop, total movement so far this season has been moderately behind last year's pace. F.o.b. prices for fresh lemons have averaged somewhat above a year ago. Prices will decline as the season progresses. The season-average price is expected to be below last year's high levels. [Ben Huang (202) 447-7290]

• Vegetables

The third-quarter 1984 average index of grower prices for commercial vegetables was 131 (1977=100), 10 percent higher than a year earlier. A 6-percent drop in shipments of melons offset increased shipments of broccoli, cabbage, carrots, cauliflower, sweet corn, and celery. Compared to a year earlier, third-quarter shipments were also down for cucumbers, lettuce, onions, peppers, and tomatoes. The effect of tight supplies of fresh vegetables outweighed a 12-percent increase in total 1984 production of processing vegetables and caused the grower index to rise.

Wholesale prices of processed vegetables softened in September, in part because of lower prices for most canned tomato products. The Producer Price Index (PPI) for canned vegetables fell 4 percent in September, while the PPI for frozen vegetables was steady. Distributors took a wait-and-see attitude toward forecasts of a large total pack of frozen vegetables.

The outlook for vegetable production during October-December 1984 is for expanded acreage, an apparent response to the upward trend in prices since September 1982. The total fall harvest area of seven vegetables (broccoli, carrots, cauliflower, celery, sweet corn, lettuce, and tomatoes) is forecast at 154,300 acres, 3.3 percent above fall 1983 and 5 percent above fall 1982. Third-quarter 1984 area of honeydew melons in Arizona and California, however, was 2,600 acres, down 24 percent.

The October 11 *Crop Production* report estimated 1984 production of fall potatoes at 310 million cwt, 5.2 percent more than 1983's fall crop. Production should be up in the seven States that together produce about 50 percent of the total. Colorado production is forecast up 14 percent; Michigan, 20; Minnesota, 26; North Dakota, 7.2; Oregon, 7.9; Washington, 3.4; and Wisconsin, 13. Idaho production is largely unchanged, but Maine production is down 3 percent, because of a 5-percent acreage reduction that was only partially offset by a 2-percent yield improvement.

This season's sweetpotato crop is estimated at 13 million cwt, an 8-percent rise over 1983. North Carolina, the principal producing State for the fresh market, harvested an estimated 4.9 million cwt, 11 percent more than last year.

Wholesale prices for fresh potatoes and sweetpotatoes dropped 23 and 44 percent, respectively, from August to September, because of increased supplies during peak harvest. Potato prices dropped further through mid-October as supplies approached their peak. [John Love (202) 447-7290]

• Sugar

The world price of raw sugar (f.o.b. Caribbean) strengthened to 4.7 cents a pound in October, from 4 cents the previous month. However, the October price is still the second lowest monthly average since 1971.

World sugar production in 1984/85 is estimated at nearly 98 million metric tons, raw value, and consumption could rise to about 98 million. However, the large world surplus of sugar will persist. While prices are expected to improve slightly, they will remain low through early 1985.

The U.S. Congress approved renewal of the Generalized System of Preferences (GSP) in October. It allows almost all countries to export sugar to the United States free from the 2.81-cent-a-pound current duty on raw sugar. The GSP has been extended through 1993.

U.S. sugar imports will continue to be limited by a quota. For fiscal 1985, the total quota (adjusted for small exports) has been set at 2.677 million short tons, raw value. This total is about half a million below fiscal 1984, mostly because of reduced sugar demand.

U.S. refined sugar consumption for calendar 1984 is estimated at 8 million tons, down 300,000 from 1983. Consumption of high fructose corn sirup (HFCS) is projected at 4.3 million tons, up 600,000. Per capita consumption of sugar in 1984 is expected to be down 3.5 pounds, while HFCS use could be up 5.6 pounds. Further sugar losses to HFCS are predicted for 1985.

U.S. beet and cane sugar production in 1984/85 is estimated at 5.67 million tons, raw value, up only about 1 percent from 1983/84. Hot September weather and heavy rains in October reduced beet sugar production prospects in the Red River Valley of Minnesota and North Dakota. Still, U.S. beet sugar output is estimated at 2.86 million tons, raw value, nearly 200,000 over last season's poor-weather output. Cane sugar production continues to be estimated at 2.8 million tons, down from 2.93 million last season. Output is up in Florida and Hawaii, but down in Louisiana and Texas.

All price-support loans in fiscal 1984 for beet and cane sugar were repaid as of October 1. Loans had been provided for 1.277 million tons of refined beet sugar and 0.357 million tons of raw cane sugar. Domestic sugar prices were maintained high enough to avoid forfeiture of sugar collateral to the Commodity Credit Corporation.

The U.S. raw sugar price (c.i.f., duty/fee-paid, New York) averaged 21.8 cents a pound in fiscal 1984, the same as in fiscal 1983. Prices eased in October to 21.6 cents, down slightly from September.

Wholesale list prices for sugar in 1984 have stayed in a range of 29.6 to 32 cents a pound, depending on market area. However, discounts of about 15 percent were offered in some markets in September and October. The retail price of sugar in the United States averaged 36.4 cents a pound in September, up from 35.8 cents in August.

Wholesale list prices for HFCS in September dropped about 2 cents a pound in most markets, adjusting to a seasonal demand decline and bringing list prices more closely in line with actual prices. After narrowing in August, the Chicago-market discount of HFCS to sugar widened in September to over 30 percent for HFCS-42 and 27 percent for HFCS-55. [Robert D. Barry (202) 447-8666]



Farm Income Update

THE 1984 FORECAST

The forecast for 1984 farm income is unchanged from September. Net farm income is still expected to be between \$29 and \$33 billion, as stronger crop output rebuilds inventories.

Net cash income (including net CCC loans) is expected to range from \$34 to \$38 billion, compared with 1983's record \$40.1 billion. Increased cash receipts from marketings of crops and livestock will be outweighed by higher cash expenses and somewhat lower direct Government payments. Advances on 1985 deficiency payments may become an important source of cash flow for some farmers during the final quarter of 1984 and early 1985.

Government Payments To Approach \$9 Billion

Direct Government payments (cash plus PIK disbursements) for 1984 are forecast to approach \$9 billion—below last year's record nominal level of \$9.3 billion. The October forecast was raised slightly from September's estimate because of the 1985/86 crop payments expected to be advanced during the final quarter of 1984. These advances will supplement the 1984 cash flow of wheat, rice, feed grain, and cotton farmers. Total 1984 cash payments (deficiency, diversion, storage, and conservation programs) are now expected to run \$2 to \$5 billion—near last year's record.

Farm Income and Cash Flow Statement

Item	1980	1981	1982	1983	1984F
Billion dollars					
FARM INCOME SOURCES					
1. Cash receipts	140.5	142.6	144.8	138.7	141 - 145
Crops ¹	72.7	73.3	74.6	69.5	69 - 73
Livestock	67.8	69.2	70.1	69.2	70 - 74
Cash Government payments	1.3	1.9	3.5	4.1	2 - 5
Value of PIK commodities	0.0	0.0	0.0	5.2	4 - 6
2. Direct Government payments	1.3	1.9	3.5	9.3	6 - 10
3. Other cash income ²	1.5	1.9	2.0	1.5	1 - 3
4. Gross cash income (1+2+3) ³	143.3	146.4	150.2	149.6	151 - 155
5. Nonmoney income ⁴	12.4	13.6	14.2	13.6	12 - 14
6. Realized gross income (4+5)	155.7	160.0	164.4	163.2	164 - 168
7. Value of inventory change	-5.5	7.9	-2.6	-11.7	6 - 10
8. Total gross income (6+7)	150.2	167.9	161.8	151.4	172 - 176
PRODUCTION EXPENSES					
9. Cash expenses ^{5,6}	105.6	111.4	113.4	109.5	115 - 119
10. Total expenses	128.9	136.9	139.5	135.3	141 - 145
INCOME STATEMENT					
Net cash income: ^{1,8}					
11. Nominal (4-9)	37.7	35.0	36.8	40.1	34 - 38
Deflated (1972\$) ⁷	21.1	17.9	17.8	18.6	15 - 17
Net farm income: ¹					
12. Nominal total net (8-10)	21.2	31.0	22.3	16.1	29 - 33
Total net (1972\$) ⁷	11.9	15.9	10.8	7.5	13 - 15
Total net (1967\$) ⁸	8.6	11.4	7.7	5.4	9 - 11
13. Off-farm income	37.6	39.8	39.4	41.0	41 - 45
OTHER SOURCES AND USES OF FUNDS					
14. Change in loans outstanding ⁹	15.2	15.5	6.6	2.9	4 - 8
Real estate	9.4	9.3	3.7	2.1	0 - 4
Nonreal estate ⁹	5.9	6.2	3.1	0.8	2 - 6
15. Rental income	5.6	5.7	5.6	4.3	4 - 6
16. Gross cash flow (11+14+15)	58.5	56.1	49.3	47.3	45 - 49
17. Capital expenditures ⁶	18.0	16.8	13.6	13.1	12 - 15
18. Net cash flow ^{1,8} (16-17)	40.5	39.3	35.6	34.2	32 - 36

F = forecast. ¹ Includes net CCC loans. ² Income from custom work, machine hire, and farm recreational activities. ³ Numbers in parentheses indicate the combination of items required to calculate a given total. ⁴ Value of home consumption of farm products and imputed rental value of farm dwellings. ⁵ Excludes depreciation and perquisites to hired labor. ⁶ Excludes farm dwellings. ⁷ Deflated by the GNP implicit price deflator. ⁸ Deflated by the CPI-U. ⁹ Excludes CCC loans.

Net Farm Income and Net Cash Income of Farm Operators, by State, 1983

State	Cash marketing receipts	Net change in farm inventories	Total gross income ¹	Production expenses	Net farm income	Net cash income ²
Million dollars						
Alabama	2,112	-132	2,366	1,938	428	659
Alaska	19	(³)	22	20	2	2
Arizona	1,644	-175	1,683	1,594	89	400
Arkansas	2,999	-182	3,402	2,935	468	913
California	13,494	-430	14,491	11,500	2,992	3,783
Colorado	2,967	113 ³	3,439	2,992	447	531
Connecticut	321	-4	370	319	52	76
Delaware	455	-3	483	377	145	166
Florida	4,325	-64	4,526	3,036	1,489	1,784
Georgia	3,310	-150	3,529	2,928	600	938 ³
Hawaii	537	-2	562	437	125	138
Idaho	2,016	46	2,423	2,050	373	532
Illinois	8,144	-3,058	6,324	6,908	-584	3,379
Indiana	4,009	-648	4,214	4,343	-130	955
Iowa	9,335	-2,092	9,002	9,219	-217	2,852
Kansas	5,398	-61	6,378	5,781	597	1,211
Kentucky	2,798	-427	2,895	2,446	449	1,181
Louisiana	1,853	-211	2,069	1,689	380	691
Maine	413	1	455	482	-28	22
Maryland	1,032	-15	1,186	1,022	164	247
Massachusetts	367	2	422	319	103	133
Michigan	3,001	-242	3,317	2,969	348	952
Minnesota	6,277	-640	6,853	6,118	735	2,210
Mississippi	2,291	-410	2,389	2,208	181	781
Missouri	3,988	-726	4,058	4,118	-60	1,132
Montana	1,503	-59	1,865	1,813	52	314
Nebraska	6,010	-336	6,805	8,420	385	1,337
Nevada	224	16	277	251	26	34
New Hampshire	114	1	140	129	11	18
New Jersey	543	-12	645	532	113	170
New Mexico	962	-26	1,114	1,060	53	135
New York	2,672	-44	2,854	2,803	151	529
North Carolina	3,784	-51	4,254	3,452	802	1,124
North Dakota	2,691	-207	3,294	2,643	652	1,293
Ohio	3,674	-537	3,828	3,708	121	1,082
Oklahoma	2,692	-168	3,307	3,099	208	585
Oregon	1,700	35	2,063	1,702	362	436
Pennsylvania	2,976	-104	3,303	2,912	391	809
Rhode Island	31	(³)	39	38	1	2
South Carolina	1,058	-111	1,121	1,139	-19	210
South Dakota	2,586	-42	3,019	2,551	468	823
Tennessee	1,930	-116	2,326	2,175	151	444
Texas	8,970	-281	10,862	9,868	994	1,865
Utah	579	-43	678	639	38	117
Vermont	427	-9	467	398	68	115
Virginia	1,440	21	1,085	1,758	47	156
Washington	3,063	3	3,557	2,270	987	1,112
West Virginia	228	12	366	385	-20	-18
Wisconsin	5,203	-150	5,812	4,839	972	1,694
Wyoming	593	-21	666	728	-62	17
United States	138,719	-11,743	151,420	135,321	16,100	40,071

¹ Cash marketing receipts, direct Government payments, change in inventories, and other cash and noncash income. ² Includes net Commodity Credit Corporation loans. ³ Value of less than \$500,000.

Government payments during the first half of 1984 totaled about \$5.4 billion, about 83 percent PIK disbursements. Most of the PIK payments consisted of 1983 entitlements.

Cash Government payments under the various wheat programs totaled about \$300 million during first-half 1984, with diversion payments constituting 92 percent. In the last half of 1984, the value of PIK wheat (the only PIK program in 1984) will likely total about \$300 million. A small amount of 1984 PIK wheat may not be claimed by producers until January 1985. Wheat deficiency payments, most of which are expected to be disbursed during December, probably will exceed \$1 billion in calendar 1984.

Cotton and rice program costs each totaled over \$100 million during first-half 1984; most outlays were for 1983 crop deficiency payments. Payments under the Wool Act totaled about \$117 million this year, up from \$84 million in calendar 1983.

Advanced deficiency and diversion payments that farmers may request when they sign up for 1985 programs may move \$1 billion in next year's Government payments to fourth-quarter 1984. Since signup extends to March 1985, advances could also provide additional cash to the sector in first-quarter 1985. This cash would aid farmers in purchasing inputs for the 1985 season and decrease the amount of external financing necessary.

Advance payments could total as much as \$2.5 billion. If farmers request most of these by March, the large infusion of cash into the sector could aid in debt repayment and, among other things, result in a temporary but welcome upward blip in farm machinery sales.

1983 FARM INCOME BY STATE
State rankings of farm income for 1983 vary markedly, depending on whether they are based on cash receipts, net farm income, or net cash income. One reason is the difference in the relative importance of spring-planted crops in each State. Production of many spring-planted crops fell significantly in 1983, because of the combination of acreage reduction programs and the summer drought.

California Was Leader in All Three Income Categories

If rankings of States and commodities within States are based on cash receipts, California led in 1983 with \$13.5 billion in receipts from all commodities. The State led in crop sales and ranked third in livestock.

California's main commodities were dairy products, at \$1.9 billion; cattle and calves, \$1.3 billion; cotton, \$1.1 billion; and grapes, \$1.1 billion. California was the top U.S. producer of cotton, greenhouse and nursery products, eggs, hay, grapes, tomatoes, and lettuce.

Iowa ranked second in cash receipts, earning \$9.3 billion. It had the second highest sales of livestock and ranked third in crop sales. Iowa ranked first in hog and soybean sales and second in corn. Its principal commodities were hogs, cattle and calves, soybeans, corn, and dairy products.

Texas ranked third in receipts from all commodities, but first in receipts from all livestock and from cattle and calves. Texas' highest sales were cattle and calves, cotton, dairy products, wheat, and sorghum. Illinois ranked fourth in all commodities, and Minnesota ranked fifth.

Ranked by net farm income (after the inventory adjustment), the five leading States last year were California with \$3 billion; Florida with \$1.5 billion; and Texas, Washington, and Wisconsin with \$1 billion each. Seven States recorded negative net farm incomes: Illinois at -\$584 million, Iowa at -\$217 million, Indiana at -\$130 million, Wyoming at -\$62 million, Missouri at -\$60 million, Maine at -\$28 million, West Virginia at -\$20 million, and South Carolina at -\$19 million. For the most part, the negative net incomes reflect the fact that the value of production in 1983 was less than the expenses (including depreciation) incurred in producing the commodities.

Ranked by net cash income, the leading States were California at \$3.8 billion, Illinois at \$3.4 billion, Iowa at \$2.8 billion, Minnesota at \$2.2 billion, and Texas at \$1.9 billion. Net cash income differs from net farm income

principally in that it includes all commodity sales occurring within the year, regardless of when the commodity was produced, and in that it excludes non-cash expenses such as depreciation.

Special Circumstances Occurred in Some States

The acreage reduction program and the drought cut corn production by 49 percent in 1983, to 4.2 billion bushels. This development accounted for the fact that such key feed grain States as Indiana, Illinois, and Iowa exhibited negative net farm incomes following their inventory adjustments. A different picture emerges for the major feed grain States when net cash income is considered. These States benefited from large cash infusions originating from record stock sales. Thus, net farm income reflects the low level of production, and net cash income reflects the high level of cash flow due in part to the drawdown of inventories.¹

However, in the case of other States with low or even negative net cash incomes—Maine at \$22 million, West Virginia at -\$18 million, and Wyoming at \$17 million—the reasons are not related to corn production.

Potatoes typically account for 20 to 30 percent of Maine's total cash receipts, and potato receipts in 1983 were \$44 million below the 1981 level of \$136 million. In Wyoming, receipts from cattle and calves usually are 65 to 70 percent of the State's total. In 1983, although cattle receipts were \$68.8 million above 1982, they were still \$40.4 million below levels attained as recently as 1980.

For West Virginia, the negative income was due to several factors: the relatively small size of the State's farming units, with the associated

high unit cost of production; a higher incidence of cash sales in local markets; and the increased tendency to farm for the dual objectives of cash income and tax benefits.²

Finally, the low net cash income in some States is simply indicative of a small agricultural base (for example, Alaska and Rhode Island). [Roger Strickland (202) 447-4190 and Gary Lucier (202) 447-2317]

²For further discussion, see "The Negative Incomes of Small Farms," *Agricultural Economics Research*, Vol. 35, No. 1 (January 1983).

Upcoming Economic Reports

Title	Summary Released
Wheat	November 15
Foreign Ag Trade of the U.S.	November 16
Feed	November 20
Cotton & Wool	November 26
World Ag	November 30
Livestock & Poultry	December 6
Sugar & Sweeteners	December 7
World Ag Supply & Demand	December 11
Tobacco	December 13
Econ. Indicators of the Farm Sector	December 14
Food Prices, Consumption, & Expenditures	December 17
Dairy	December 19
Ag Finance	December 20

Summaries are available on some computer networks on the dates indicated; the full reports are also released electronically 2 to 3 days later. For details on the summaries, call (402) 472-1892, (301) 588-1572, or (301) 982-6500. Full reports—text and tables—are provided by the system on (402) 472-1892.

¹Additional details regarding components of gross receipts and production expenses will be available in *Economic Indicators of the Farm Sector: State Income and Balance Sheet Statistics, 1983* ECIFS 3-4, published November 1984. It is available only by purchase from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. Cost is \$5.50 postpaid. For information, call Mrs. Flossie Dingle at (202) 447-8342.



Food and Marketing

Consumer expenditures for U.S. farm-produced foods are expected to total \$332 billion in 1984, a 5.4-percent increase over 1983. While there will be a small farm value increase, the majority of the spending rise will come from higher marketing costs. The farm value is predicted to be \$86.2 billion, up only 1.5 percent from 1983. Higher farm prices were tempered by a drop in per capita consumption, after consumption increased steeply in 1983. Marketing costs are expected to be up 6.8 percent for 1984. The improved economy has spurred away-from-home sales and bid up prices of items used in food marketing, such as labor and packaging.

Farm Value Is Small Part of 5-Year Gain in Food Spending

Consumers paid slightly over \$315 billion for U.S. farm foods in 1983. This was an increase of 5.4 percent from 1982. Consumer expenditures for U.S. farm foods have risen 45.2 percent, or \$98.1 billion, over the last 5 years. This compares with an increase of 38 percent in the CPI for all food. The difference between the two is accounted for by changes in the volume of food consumed and increased consumption

in the away-from-home market. Marketing cost increases accounted for over 84 percent of the 5-year growth in consumer spending for foods; the remainder was from increased farm value.

Farm values have accounted for only a minor part of the gain in total consumer expenditures because farm prices have been low and consumption has shifted to more processed foods. In processed items, the farm value represents a smaller percentage of the total price. Over the past 5 years, farm prices have risen only 15 percent; the remainder of the 22-percent increase in farm value has come mostly from higher volume.

Marketing costs accounted for 73 percent of total consumer expenditures in 1983, up from 68 in 1978. If the relationship between marketing costs and farm value had remained constant from 1978 to 1983, consumer expenditures for food would have totaled only

\$269 billion in 1983, not \$315 billion. The chief reasons for stiff marketing cost increases are a jump in demand for away-from-home food, the sharp rise in energy prices, and volume increases. While consumer expenditures in the at-home market rose by 36.2 percent from 1978 to 1983, expenditures in the away-from-home market grew 65.5 percent. The increased away-from-home spending is the result of higher disposable income and changes in eating patterns.

1984 Marketing Cost Index Slightly Ahead of Inflation

The marketing bill for domestically grown foods rose 6.9 percent last year, to \$230.1 billion. The marketing cost index rose only 2.8 percent, with higher total food consumption and increased sales away from home accounting for the rest of the rise. For the first 3 quarters of 1984, the marketing cost index ran 4.4 percent above a year earlier, slightly more than the general rate of inflation.

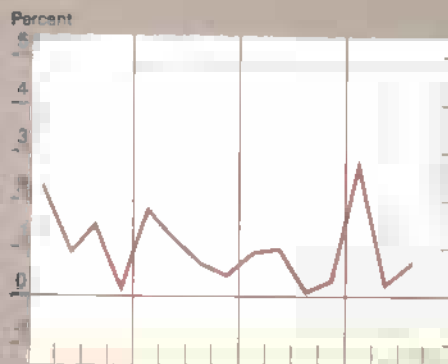
Food Expenditures, Marketing Bill, and Farm Value: At Home and Away

	Total	At home	Away from home
Billion dollars ²			
Consumer expenditures ¹			
1974	154.6	109.5	45.1
1978	216.9	150.2	66.7
1981	287.7	194.0	93.7
1982	298.9	196.8	102.2
1983	315.0	204.6	110.4
1984 ³	332.0	212.0	120.0
Marketing bill			
1974	98.2	65.2	33.0
1978	147.4	93.9	53.6
1981	204.5	127.0	77.5
1982	215.2	129.9	85.3
1983	230.1	137.1	93.0
1984 ³	245.8	143.9	101.9
Farm value			
1974	56.4	43.1	13.3
1978	69.5	56.4	13.1
1981	83.2	67.0	16.3
1982	83.7	66.8	16.9
1983	84.9	67.5	17.4
1984 ³	86.2	68.1	18.1

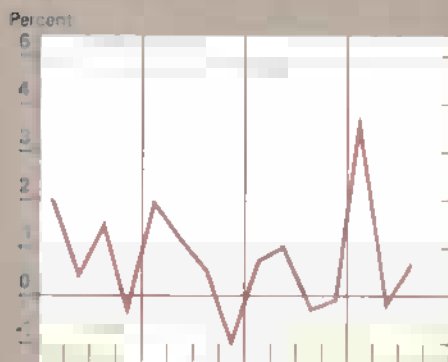
¹ For domestically produced farm foods. Fishery products and alcoholic beverages are excluded. ² Preliminary. ³ Totals may not add because of rounding.

Food and Marketing Indicators

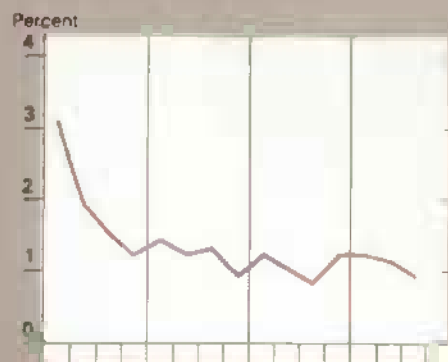
CPI: Total food^o



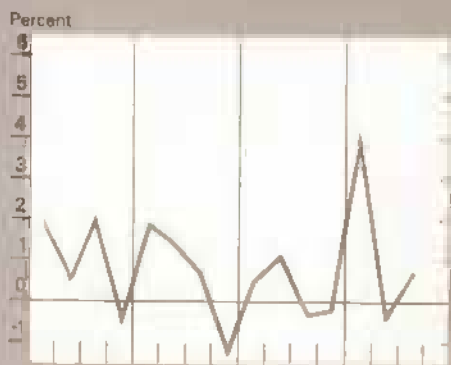
CPI: Food at home^o



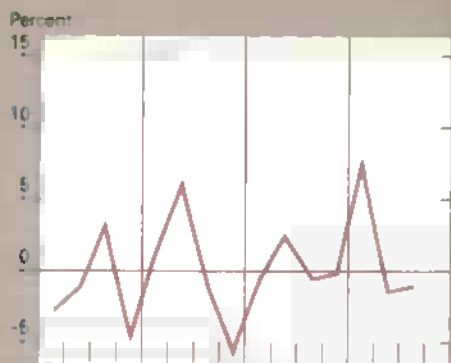
CPI: Food away from home^o



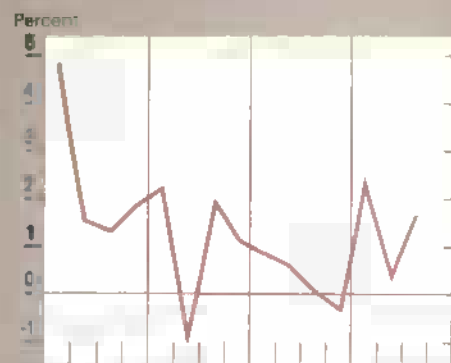
Farm food market basket, retail price



Farm value



Farm to retail spread



Imported food and fishery products



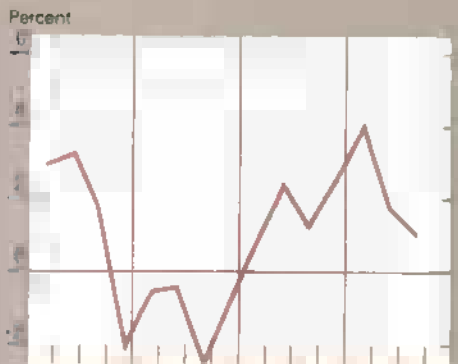
Marketing cost index



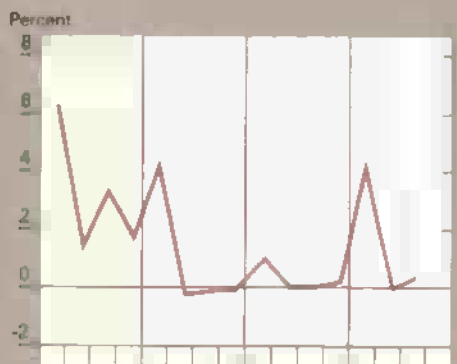
Labor cost



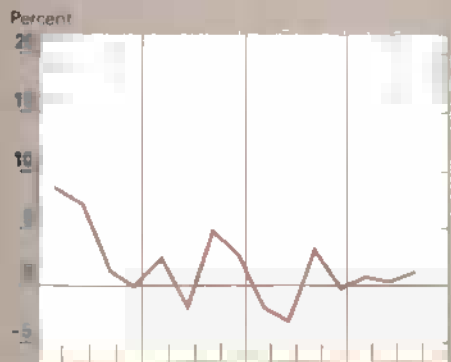
Packaging cost



Rail freight rates



Energy rates



^o CPI unadjusted.

All series expressed as percentage change from preceding quarter.

Components of Consumer Food Spending

	1974	1978	1981	1982	1983	1984 ^a
	Billion dollars ^b					
Consumer expenditures	154.6	216.9	287.7	298.9	315.0	332.0
Farm value	56.4	69.5	83.2	83.7	84.9	86.2
Total marketing bill	98.2	147.4	204.5	215.2	230.1	245.8
Labor ^c	44.3	66.2	91.0	96.6	102.5	108.3
Packaging	11.8	16.6	22.8	23.2	24.4	27.3
Transportation (rail & truck) ^d	7.5	10.6	14.3	14.7	15.5	16.3
Fuel and power	3.7	6.3	11.6	12.2	12.7	13.2
Corporate profits (before taxes)	6.1	9.2	12.0	13.0	14.8	16.5
Other ^e	24.8	38.6	52.8	55.5	60.2	64.2

^a Totals may not add because of rounding. ^b Includes wage and salary supplements such as pensions and health insurance premiums. Also includes imputed earnings of proprietors, partners, and family workers not receiving stated remuneration. ^c Excludes local hauling charges. ^d Includes business taxes, depreciation, rent, advertising, interest, and other costs. ^e Preliminary.

Labor costs make up 45 percent of the marketing bill and are the largest single component. In 1983, labor costs rose 6.1 percent, down slightly from the rate in 1982 and well below the 1981 increase of 11.7 percent. Over the first 9 months of 1984, labor costs have risen 3.4 percent, while the CPI for all items has climbed 4.3 percent.

Increases in hourly wages in the food industry have slowed since 1981 as more emphasis has been placed on job security and supplemental pay issues. Also, workers in some sectors of the food industry have taken pay cuts to help keep their companies afloat. For example, average hourly wages in the meat processing industry rose only 6 percent between 1980 and 1983.

In addition, there has been no increase in the minimum wage since 1981. This affects costs in the food retailing industry. Fast food restaurants often pay at or near the minimum wage. In supermarkets also, some workers are paid the minimum wage. When the minimum rate goes up, the salaries of all the supermarket workers are increased to keep the differential wage scale intact. Another change that has dampened labor cost increases in the food industry is that employment in the higher paying food manufacturing

sector has slowly fallen, while it has grown in food retailing, especially at fast food establishments.

Packaging Costs Rising Sharply This Year

Packaging costs rose 5.2 percent last year. However, much of the increase was due to the greater volume of food processed. The price of packaging materials rose only 2.1 percent. There was a 13.1-percent hike in the price of plastic film. The costs of other materials were up very little, though, and paperboard and glass container prices fell 1.5 and 0.9 percent, respectively.

Over the first 9 months of 1984, the costs of packaging materials have risen 10 percent from a year earlier. Paperboard prices are up 10.6 percent and plastic film 24.9 percent. These prices moved up in response to increased economic activity beginning in the second half of 1983.

1984 Energy Costs Stable

Energy costs, which rose very quickly through 1981, slowed markedly in 1982 and 1983. In 1982, fuel and electricity costs in the marketing bill rose 4.1

percent, much of the rise due to increases in food volume. Overall, prices for fuels and electricity did not increase in 1983, thanks to an 11.5-percent drop in oil prices. But, electric rates rose 2.9 percent, and natural gas prices were up 16.6 percent. Food retailing firms were still affected by these increases because retailers depend on electricity and natural gas for most of their power needs.

Over the first 9 months of 1984, energy prices have risen slightly. Electric rates have risen 5.2 percent, but prices for both oil and natural gas have been stable.

Transportation Costs Rising Little, But Corporate Profits Climbing

The cost of transporting food increased 5.4 percent in 1983, to \$15.5 billion. Transportation rates did not climb that much (rail freight rates were only up 0.9 percent); the large increase in the volume of food consumed last year accounted for most of the rise.

In 1984, transportation rates have continued to increase very slowly. Stable fuel prices, competition resulting from deregulation, and interindustry competition are moderating price increases.

Corporate profits represent about 5 percent of this year's total marketing bill. The \$16.5 billion total for 1984 is an 11.5-percent increase over 1983 and reflects greater disposable income and continued strong sales in the away-from-home market. Sales away from home usually return better profits than food sold for consumption at home.

The "other costs" category in the marketing bill is the second largest after labor. It accounted for 26 percent of the total marketing bill in 1983. This category, which includes depreciation, rent, advertising, and interest, is forecast to increase 6.6 percent in 1984. In the past, other costs have usually followed the general rate of inflation closely. For the first 9 months of 1984, the index for other costs is running 4.7 percent above a year earlier. [David Harvey (202) 447-6860]



World Agriculture and Trade

OILSEEDS OUTLOOK

World oilseed production is recovering from last year's sharp decline, with record output expected for cottonseed, sunflowerseed, and rapeseed. Protein meal demand will remain weak at least through the first half of this season, while the demand for vegetable oils continues strong. Thus, prices may remain relatively high for vegetable oils during 1984/85, but weak for protein meals.

Production Rebounds

Record world oilseed production is expected in 1984/85, 11 percent above 1983/84. Much of the gain is occurring in U.S. soybean production, forecast at 53.7 million tons, up 21 percent from 1983/84. However, foreign oilseed production is also expected to be more than 6 million tons above the record 1983/84 outturn. Virtually every producing country responded to last year's tight supplies and high prices by increasing its oilseed plantings.

World cottonseed production is almost 4 million tons larger than in 1983/84, led by increases in the United States, China, and Pakistan. U.S. cottonseed production may increase 2 million tons, and China's output may exceed its previous record by 300,000.

Although Pakistan's harvest may rise nearly 400,000 tons, because of a recovery from last year's bad weather and pest infestation, the crop is below the volume record set in 1982/83.

Sunflowerseed area has increased substantially in the EC, especially in France. Area is also up in Argentina. These increases, along with improved outturns in several other countries, especially Spain, are expected to add up to a 1.5-million-ton gain in foreign sunflowerseed production for 1984/1985. The U.S. sunflowerseed crop is estimated to rise only 210,000 tons in 1984/85, despite a 16-percent increase in planted area. Dry weather again hurt yields in several States.

For 1984/85, prospective rapeseed output is dramatically higher, despite China's reduced plantings. Canada's domestic and export demand in 1983/84 sparked a 25-percent expansion in area. However, poor yields resulted in only an 18-percent gain in production. In China, a policy shift away from oilseed production prompted the cutback in area. Most of the expected 1984/85 global production increase will be in Europe. While Poland's planted area is up more than 50 percent, most of the 1.3-million-ton increase in Europe's rapeseed production will come from sharply higher yields.

Southern Hemisphere Planting Underway

USDA crop forecasts for the Southern Hemisphere are based on preliminary planting information. In Brazil, new financial regulations, scarce credit, higher interest rates, and other crops' prospects will restrict the growth of soybean plantings. However, some recovery in yields could push output about 2 percent above last year's revised estimate of 15.4 million tons.

In Argentina, sunflowerseed acreage (summer crop) will increase sharply because some farmers could not plant

wheat (spring crop). With yields expected to be below last year's record, Argentina's soybean output may drop 200,000 tons, despite larger planted area.

Demand for Meal Remains Weak

Reduced 1983/84 oilseed supplies and strong demand for oils led to sharply higher prices for oilseeds and vegetable oils last season. Prices in the oilseed sector for 1984/85 are again likely to be affected more by vegetable oil demand than by protein meal demand.

However, gains in consumption of protein meals can be expected because of low prices and better financial conditions in some importing countries, as well as larger supplies. Mexico is expected to import 75,000 tons of soybean meal in 1984/85, following a year of no meal imports. Eastern Europe's soybean meal imports may rise 8 percent over the previous year. Also, Iraq is importing large quantities of U.S. soybean meal for poultry feed.

In the EC, the price of soybean meal relative to corn has changed dramatically since last fall. The relationship now favors the use of soybean meal. However, the EC dairy reduction program and increased supplies of domestic oilseeds and grains will limit growth in soybean meal consumption. Thus, EC soybean meal use this year is expected to be only 2 percent above 1983/84, well below disappearance of prior years.

Demand Continues Strong for Oils

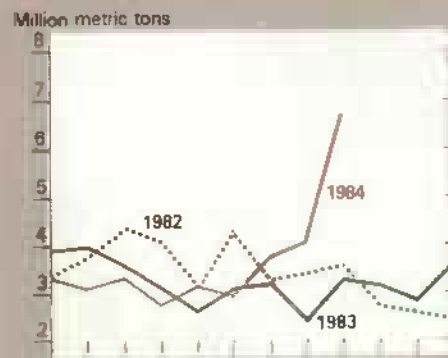
The poor world oilseed output in 1983/84, particularly shortfalls of coconut and palm oils, resulted in severely limited supplies of vegetable oils. Meanwhile, economic recovery expanded the demand for vegetable oils. As a result, prices for vegetable oils rose sharply during much of 1983/84 and carryin stocks for 1984/85 are small.

U.S. Agricultural Trade Indicators

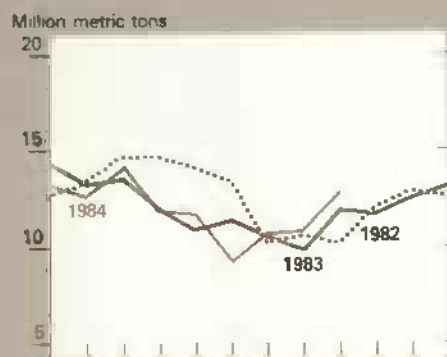
U.S. agricultural trade balance



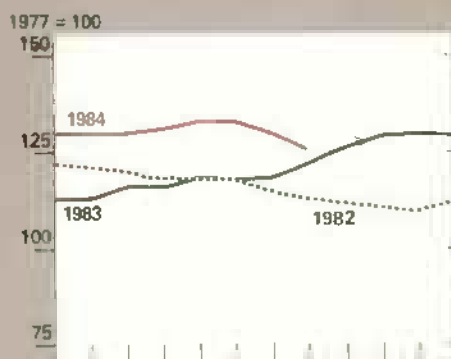
U.S. wheat exports



Export volume



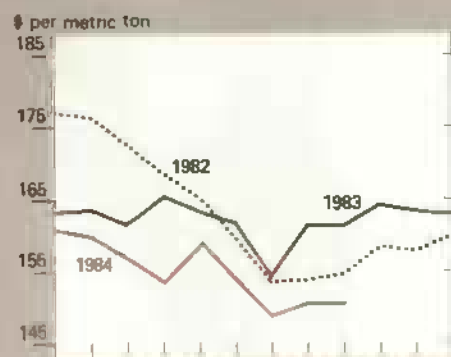
Export prices



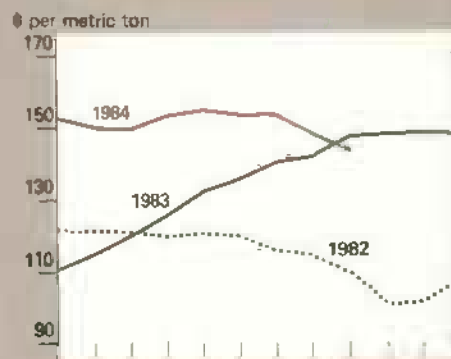
U.S. corn exports



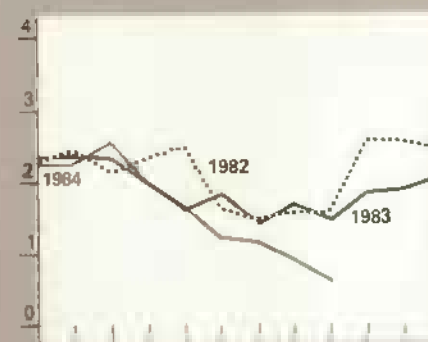
Wheat export unit value*



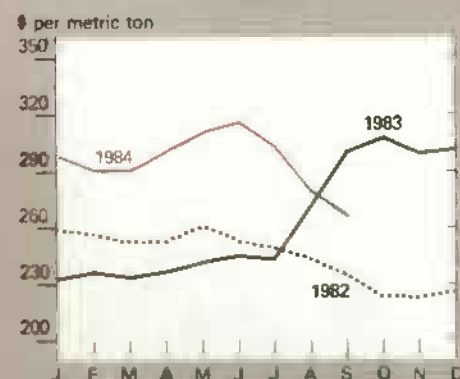
Corn export unit value*



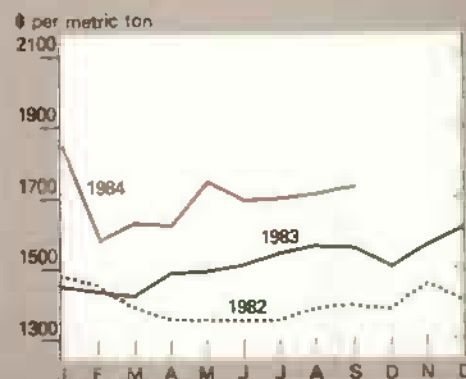
U.S. soybean exports



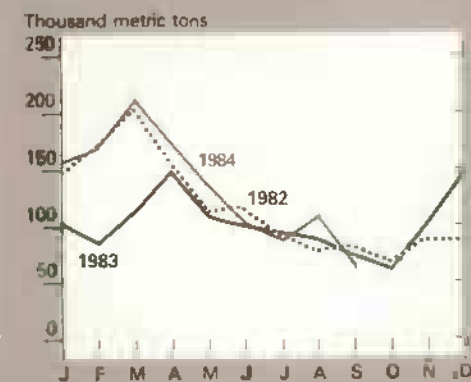
Soybeans export unit value*



Cotton export unit value*



U.S. cotton exports



*Value of U.S. exports divided by volume exported. Data on the wheat, corn, soybean, and cotton exchange rates are now included in the U.S. Agricultural Trade tables at the back of this issue.

Palm oil production has increased in recent months, following an extended period of drought-reduced output. Malaysia's 1984 production is forecast to total 3.6 million tons, nearly one-fifth above the poor 1983 outturn. With larger palm oil supplies, prices slipped from the \$951-per-ton peak in May to \$562 in August.

Production gains for a variety of oilseeds will lead to larger oil supplies in 1984/85 and lower prices. Nevertheless, an expected 3.5-percent increase in world vegetable and marine oil consumption will limit price declines.

Policies Promoting Expanded Competitor Exports

South American exports expanded rapidly in 1983/84, despite complex policy actions throughout the year. Argentina exported around 3 million tons of soybeans, more than double a year earlier, despite tax policies that favored product exports over bean exports. Part of this expansion was due to an aggressive marketing strategy, resulting in sharply higher sales to Europe. Larger oilseed supplies and crush capacity constraints also led to greater soybean exports.

Brazil's policies were erratic in 1983/84, and they are likely to continue so. The Brazilian Government has announced an open trade policy for 1984/85, but safeguards will be used to protect the domestic market. Mexico and Brazil exchanged petroleum for soybeans last year under a barter agreement. Brazil's soybean exports for 1983/84 were around 1.6 million tons, up 21 percent from a year earlier, and they are likely to be about the same in 1984/85.

China's soybean exports have also increased. Estimates for both 1983/84 and 1984/85 show exports reaching

700,000 tons, more than twice the annual average for the previous 5 years. In the 1984 Sino-Soviet trade protocol, soybeans were listed as one of China's likely exports. China's proximity to the USSR may give China an advantage in this market.

U.S. Trade Prospects Mixed

During August and September, U.S. soybean exports were about half of the previous year's level. This slowdown in exports is due partly to a surge in foreign competitors' sales. Also, U.S. exports were large at this time last year because buyers, fearing shortages, purchased heavily early in the season. EC imports from the United States are down sharply, mainly because of the strong dollar.

Nevertheless, with U.S. supplies ample and world demand improved, U.S. soybean exports for 1984/85 are forecast to gain 9 percent. Exports still will be well below 2 years ago, though, as world demand still lags the 1982/83 level. Strong Argentine and Brazilian exports for last season eroded the U.S. share of world soybean trade to less than four-fifths. In 1984/85, the U.S. share may recover slightly.

With competition from Argentina and Brazil again stiff, U.S. soybean meal exports for 1984/85, forecast at 5.1 million tons, will be only 2 percent above a year earlier. World soybean meal imports for the season may rise around 1.8 million tons, but remain well below 1982/83.

U.S. soybean oil exports are expected to decline, since domestic requirements will bid limited supplies away from exports. While a strengthening economy will stimulate domestic oil consumption, continued weak meal demand will limit crushings and available oil supplies. Exports are forecast at 680,000 tons, down 12 percent from a year earlier. Thus, the U.S. share of world soybean oil trade could decline from 21 percent last year to 19 percent in 1984/85. (Jan Lipson (202) 447-8855]

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the December *Agricultural Outlook* comes off press.

November

- 14 Cattle on Feed
- 15 Sugar Market Statistics
- 16 Milk Production
- 20 Catfish
- 21 Cold Storage
- Eggs, Chickens, & Turkeys
- 23 Livestock Slaughter
- 29 Commercial Fertilizers—Consumption
- 30 Ag Prices

December

- 3 Dairy Products
- Egg Products
- Poultry Slaughter
- 4 Celery
- 10 Crop Production
- 12 Turkey Hatchery
- 14 Cattle on Feed
- Milk Production
- Potato Stocks
- 19 Cold Storage
- Catfish
- 20 Small Grains
- Hogs and Pigs
- 21 Livestock Slaughter
- Eggs, Chickens, & Turkeys
- 27 Vegetables—Preliminary
- 31 Egg Products
- Agricultural Prices



General Economy

Although major indicators show the economy weakening significantly in late summer and early fall, this is most likely a growth pause rather than the onset of another recession. Housing is the weakest sector of the economy, largely because of the late spring and early summer run-up in interest rates. September starts were down 26 percent from their February peak, despite being up from August levels. September auto sales, another interest-sensitive sector, were down 4 percent from their February high, but this was partly due to the United Auto Workers' strike. Typically, weakness in these sectors takes 6 to 12 months to affect the entire economy.

Following 2 months of decline, retail sales rebounded a strong 1.6 percent in September, indicating further growth ahead. Thus, economic recovery will likely continue for at least another 2 to 4 quarters, although at slower rates. Typical forecasts show real gross national product up about 7 percent in 1984, slowing to about 3 percent next year.

Inflation Continues Low

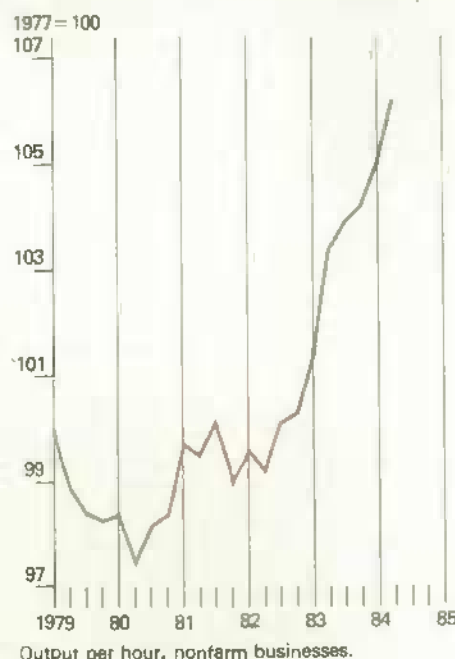
Because of the strong expansion, civilian unemployment has dropped more than 3 percentage points from its recession peak. It now stands near 7.5 percent. Furthermore, capacity utilization has risen about 13 points to 83 percent. Typically these indicators of tightening labor and product markets are consistent with intensifying inflationary pressures created by higher costs and greater demand. Private market forecasts made at the beginning of the year showed inflation rising about 2 percentage points by the end of the year. Instead, the GNP deflator came in at a 3.6-percent annual rate for the third quarter, compared with 3.8 percent in the first. The September Consumer Price Index was up only 4.2 percent from a year earlier, and the Producer Price Index fell for the second consecutive month.

There are two major explanations for the low inflation. First, unit labor cost increases remain extremely low because of productivity growth and modest wage increases. For the third quarter, output per man hour was up 2.4 percent from a year earlier, while compensation per man hour was up 4.4 percent. This combination raised unit labor costs only 2 percent.

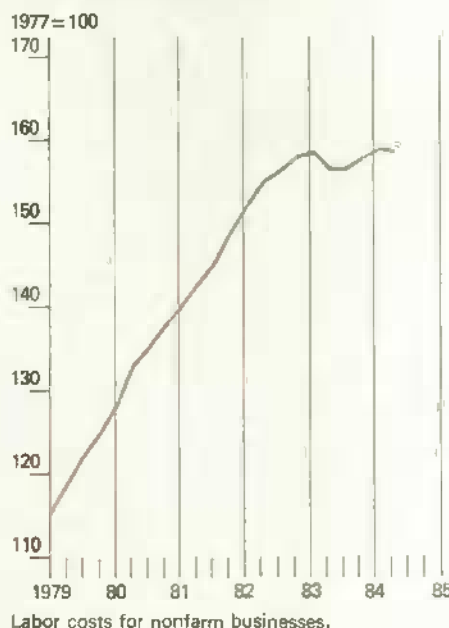
Productivity growth usually slows as a recovery matures, and wages usually accelerate in response to declining unemployment. Thus, the outlook for continued recovery in 1985 implies a rising inflation rate. However, the rise is expected to be more modest than earlier forecast, with most indicators showing inflation up about 1 percentage point to 4-5 percent next year.

The second and more unusual explanation for continued low inflation is that prices of most internationally traded raw commodities are dollar-denominated, so the strong dollar has held them down. For example, OPEC oil is priced in dollars per barrel. The U.S. dollar's exchange value is 10 percent higher than last year on a trade-weighted basis. Thus, when OPEC nations are paid for their oil, they get 10 percent more purchasing power in terms of foreign currencies, even if they hold the oil price constant.

Labor Productivity Has Risen Sharply

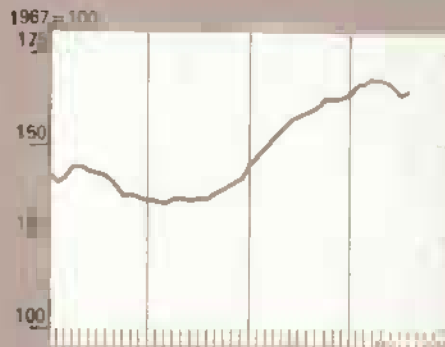


After Climbing Steeply, Unit Labor Costs Have Moderated



General Economic Indicators

Composite leading economic indicators



Gross national product¹



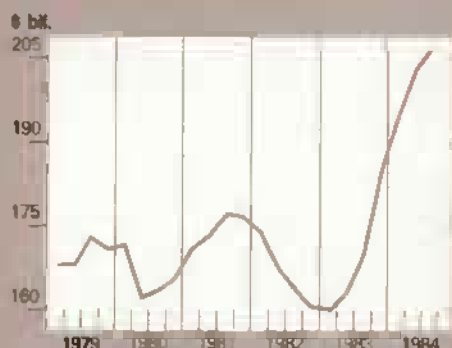
Industrial production



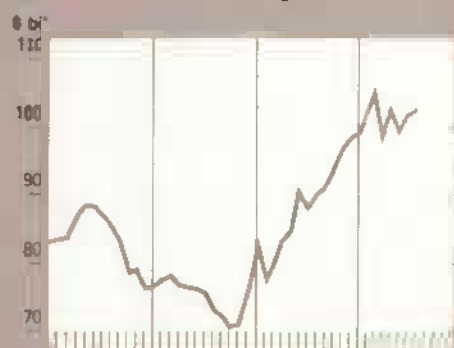
Disposable income and consumption expenditures²



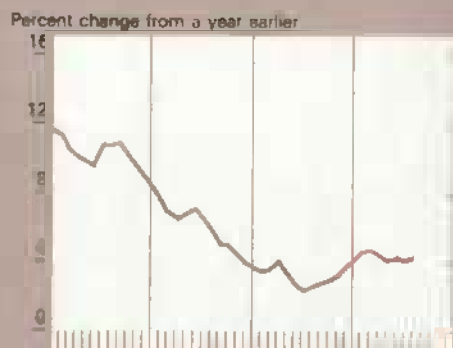
Nonresidential fixed investment²



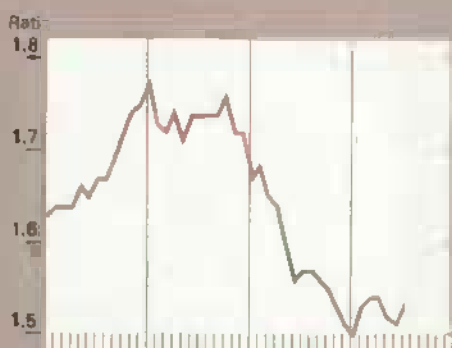
Manufacturers' durable goods orders³



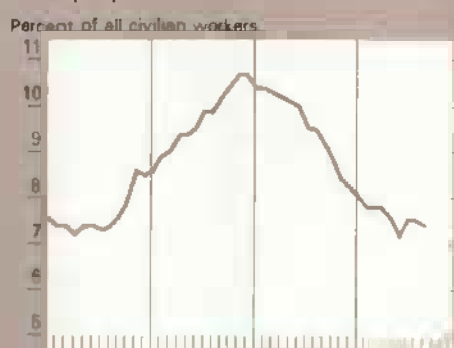
Consumer price index



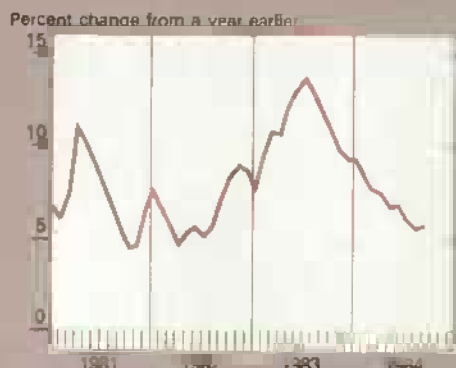
Inventory/sales⁴



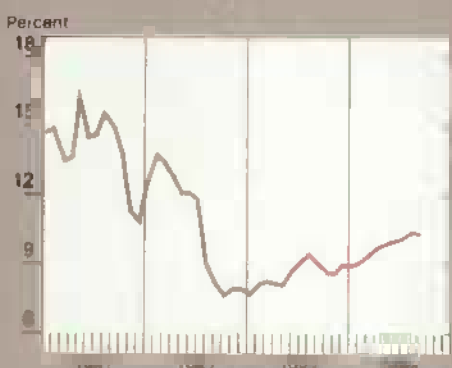
Unemployment rate⁵



Money supply (M1)



3-month treasury bill rate



Savings rate⁶



¹Percent change from previous quarter in 1972 dollars. Seasonally adjusted annual rates. ²Billions of 1972 dollars, seasonally adjusted at annual rates. ³Nominal dollars. ⁴Manufacturing and trade, seasonally adjusted; based on 1972 dollars. ⁵Seasonally adjusted. ⁶Calculated from disposition of personal income in 1972 dollars, seasonally adjusted at annual rates. Sources are U.S. Dept. of Commerce, U.S. Dept. of Labor, and the Board of Governors of the Federal Reserve System.

In addition, debt-ridden less developed countries, in an effort to increase their foreign exchange earnings, have been exporting vast quantities of raw materials into world markets. These exports have further held down prices. Also, to the extent that U.S. finished goods—such as autos—are subject to foreign competition in the U.S. market, the strong dollar has held down domestic wages and prices. Although foreign demand for U.S. agricultural exports has been hurt by the strong dollar, farmers are benefiting somewhat on the cost side because of reduced inflation.

The future value of the dollar remains the wild card in the inflation outlook. Most forecasts show it continuing relatively strong, implying low inflation through 1985. However, if investor sentiment were suddenly reversed—perhaps by a political or economic event in the United States—the dollar would plunge and set off another inflationary spiral. Although such an event seems unlikely for now, the world is full of uncertainty and a reversal could occur. For U.S. farmers, a weakening dollar would boost exports but also increase costs.

Interest Rates Ease,

But No Major Break Is in Sight

Recently, short- and long-term interest rates have declined about 100 basis points (1 percentage point) from their summer highs, prompting speculation that a major break in rates is in sight. A significant drop is unlikely, though. The recent decline is probably a short-run phenomenon in response to temporary factors. First, over the summer, the economy slowed more than anticipated, so credit demand is weaker than expected. Second, the money supply is near the low end of the Federal Reserve Board's target range, leaving some room for additional expansion.

Once the expansion is finished, rates will probably resume their climb, as is typical of the maturing phase of the business cycle. No major rate decline is in sight unless one of three conditions occurs:

- significant action is taken to reduce the Federal deficit;

- the Fed eases up markedly on the money supply; or
- the economy slips into recession.

None of these events is likely at least through mid-1985. Major forecasts show average interest rates next year up 100-200 basis points from 1984.

Trade Sector Remains Depressed

Although many parts of the economy are experiencing the strongest growth in over 30 years, the recovery seems to be bypassing the export-oriented sectors. The world economy is still lagging behind the U.S. recovery, so foreign demand remains weak. Only Japan, Canada, and a few Far East developing nations are enjoying a U.S.-style boom. Western Europe, the centrally planned nations, and other less developed countries have a sluggish recovery. Economies of the major debt-ridden Latin American nations continue to decline.

The world recovery is expected to remain spotty through 1985, so there is little hope for a strong rebound in export demand. Excluding the United States, world gross domestic product is expected to grow only 3 percent this year and next. The strong dollar is also holding down U.S. exports while simultaneously boosting imports. For 1984, the merchandise trade deficit is expected to reach a record \$100 billion, with little relief in sight for next year.

One positive note in this trade deficit is that the United States is essentially exporting its recovery, because U.S. import demand boosts foreign sales above what they would be otherwise. Also, the trade deficit is resulting in record capital inflows of \$75-\$80 billion into the United States, helping to pay for part of the Federal budget deficit. (Paul T. Prentice (202) 447-7340)



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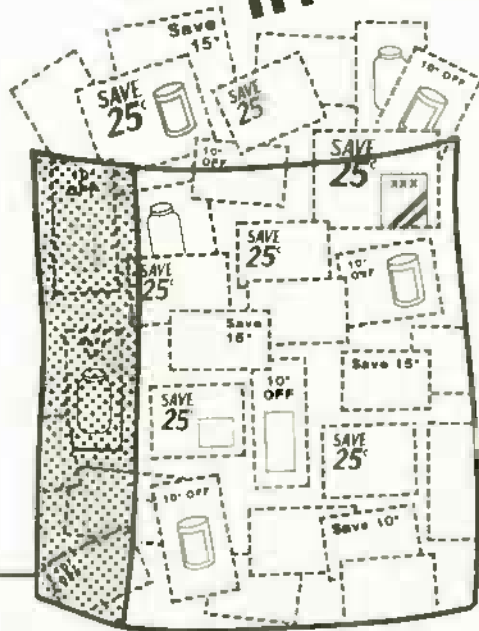
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Generic Advertising of Farm Products. AIB-481. 24 pp. September 1984. (Price \$1.50.)

Couponing's Growth in Food Marketing



The number of cents-off coupons distributed by manufacturers and retailers skyrocketed between 1965 and 1980, from 10 billion to 90 billion. About 80 percent of U.S. households redeemed coupons in 1979, making coupons the most rapidly growing form of food advertising. This report analyzes the use of coupons by consumers, as a marketing tool by manufacturers and retailers, and in the marketing of farm produce.

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Statistical Indicators

Summary Data

Key statistical indicators of the food and fiber sector

	1983	1984					1985		
	Annual	I	II	III	IV F	Annual F	I F	II F	Annual F
Prices received by farmers (1977=100)									
Livestock and products	141	151	146	143	140	147	146	148	—
Crops	127	138	143	141	130	136	129	131	—
Prices paid by farmers, (1977=100)									
Prod. Items	153	156	157	155	154	156	158	161	—
Commodities and services, int., taxes, and wages	161	165	166	165	164	165	168	170	—
Cash receipts¹ (\$ bil.)[*]									
Livestock (\$ bil.)	69	73	71	68-72	69-73	70-74	70-74	69-73	—
Crops (\$ bil.)	70	61	70	77-81	69-73	69-73	68-72	71-75	—
Market basket (1967=100)									
Retail cost	269	279	278	280	280	280	284	286	—
Farm value	240	258	254	251	244	252	249	249	—
Spread	286	292	293	297	302	296	304	307	—
Farm value/retail cost (%)	33	34	34	33	33	33	33	33	—
Retail prices (1967=100)									
Food	292	301	302	304	306	303	310	313	—
At home	282	292	292	293	295	293	298	300	—
Away-from home	320	329	332	335	338	334	343	348	—
Agricultural exports (\$ bil.)¹	34.8	10.7	8.9	8.2	10.2	38.0	10.2	8.9	—
Agricultural imports (\$ bil.)¹	16.4	5.0	4.7	5.0	4.5	18.9	4.5	4.4	—
Livestock and products									
Total livestock and products (1974=100)	115.1	112.4	116.7	114.9	115.4	114.9	111.8	114.9	115.4
Beef (mil. lb.)	23,060	5,709	5,819	5,949	6,000	23,477	5,650	5,350	22,575
Pork (mil. lb.)	15,117	3,737	3,670	3,354	3,825	14,586	3,625	3,800	14,575
Veal (mil. lb.)	428	116	113	122	115	466	100	90	385
Lamb and mutton (mil. lb.)	367	98	92	88	85	363	85	80	320
Red meats (mil. lb.)	38,972	9,660	9,694	9,513	10,025	38,892	9,460	9,120	37,855
Broilers (mil. lb.)	12,389	3,082	3,350	3,335	3,180	12,947	3,275	3,500	13,550
Turkeys (mil. lb.)	2,563	432	589	775	750	2,546	470	620	2,660
Total meats and poultry (mil. lb.)	53,924	13,174	13,633	13,568	13,955	54,330	3,205	13,620	54,065
Eggs (mil. dz.)	5,655	1,401	1,408	1,426	1,460	5,695	1,450	1,450	5,820
Milk (bil. lb.)	140.0	34.1	35.8	33.6	32.5	136.1	33.0	36.3	137.3
Choice steers, Omaha (\$/cwt.)	62.37	67.58	66.01	64.28	60.64	64.66	64.68	65.71	64.70
Barrows and gilts, 7 markets (\$/cwt.)	47.71	47.68	48.91	51.21	44.48	48.49	48.52	48.54	48.54
Broilers-wholesale, 12-city weighted avg. dressed (cts./lb.)	—	61.8	56.4	54.1	47.51	54.56	48.52	49.55	48.54
Turkeys-wholesale, N.E., 8-16 lb. hens, dressed (cts./lb.)	60.5	67.7	66.9	72.4	74.78	70.72	66.70	63.69	63.69
Eggs, N.Y. Gr. A large, (cts./dz.)	75.2	103.4	83.4	70.1	65.69	80.82	68.70	62.68	66.72
Milk, all at farm (\$/cwt.)	13.57	13.40	12.97	13.20	13.90-14.10	13.35-13.40	13.50-13.90	12.60-13.20	12.60-13.30
Crop prices at the farm³									
Wheat (\$/bu.)	3.54	3.46	3.58	3.38	—	3.30-3.55	—	—	—
Corn (\$/bu.)	3.30	3.16	3.34	3.11	—	2.65-2.95	—	—	—
Soybeans (\$/bu.)	7.87	7.61	7.98	6.51	—	5.75-7.25	—	—	—
Upland cotton (cts./lb.)	61.7	66.3	69.2	65.9	—	—	—	—	—

¹ Quarterly cash receipts are seasonally adjusted at annual rates. ² Annual data are based on Oct.-Sept. fiscal years ending with the indicated year. ³ Quarterly prices are simple averages, annual prices are for marketing year beginning in year indicated. F = Forecast. Numbers may not add to totals due to rounding. *Seasonally adjusted at annual rates.

Farm Income

Farm income statistics

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984 F
	\$ Bil.										
Receipts											
Cash receipts:											
Crops ¹	51.1	45.8	49.0	48.6	53.7	63.2	72.7	73.3	74.6	69.5	69 to 73
Livestock	41.3	43.1	46.3	47.6	59.2	68.6	67.8	69.2	70.1	69.2	70 to 74
Total	92.4	88.9	95.4	96.2	112.9	131.8	140.5	142.6	144.8	138.7	141 to 145
Other cash income ²	1.4	1.8	1.8	3.0	4.3	2.9	2.8	3.8	5.5	10.8	8 to 12
Gross cash income	93.8	90.7	97.1	99.2	117.2	134.7	143.3	146.4	150.2	149.6	151 to 155
Nonmoney income ³	6.1	8.5	7.3	8.4	9.2	10.7	12.4	13.8	14.2	13.6	12 to 14
Realized gross income	99.9	97.2	104.4	107.6	126.4	145.4	155.7	160.0	164.4	163.2	164 to 168
Value of inventory chg.	-1.6	3.4	-1.5	1.1	.8	4.9	-5.5	7.9	-2.6	-11.7	6 to 10
Total gross income	98.3	100.6	102.9	108.7	127.2	150.4	150.2	167.9	161.8	151.4	172 to 176
Expenses											
Cash expenses ⁴	59.6	61.7	67.8	72.0	81.0	97.2	105.8	111.4	113.4	109.5	115 to 119
Total expenses	71.0	75.0	82.7	88.9	99.5	118.2	128.9	136.9	139.5	135.3	141 to 145
Income											
Net cash income	34.2	29.0	29.3	27.3	36.2	37.5	37.7	35.0	36.8	40.1	34 to 38
Total net farm income	27.3	25.6	20.1	19.8	27.7	32.3	21.2	31.0	22.3	16.1	29 to 33
Deflated total net farm income ⁵	23.7	20.4	15.2	14.1	18.4	19.7	11.9	15.9	10.8	7.5	13 to 15
Off-farm income	28.1	23.9	26.7	26.1	29.7	35.3	37.6	39.8	39.4	41.0	41 to 45

F = Forecast. ¹Includes net CCC loans. ²Income from machine hire and custom work, farm recreational income, and direct government payments. ³Imputed gross rental value of farm dwellings and value of home consumption. ⁴Excludes depreciation of farm capital, perquisites to hired labor, and expenses associated with farm dwellings, and includes net rent to all landlords. ⁵Deflated by the GNP implicit price deflator, 1972=100. Totals may not add due to rounding.

Cash receipts from farming

	1983					1984							
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Farm marketings and CCC loans¹	11,329	12,063	14,332	13,894	12,372	12,335	9,666	10,415	9,064	9,952	9,462	10,567	10,947
Livestock and products	5,631	5,752	6,021	5,787	5,792	6,074	5,835	6,295	5,794	6,175	5,758	5,379	5,722
Meat animals	3,100	3,152	3,244	3,217	3,190	3,349	3,361	3,643	3,482	3,546	3,242	2,734	3,248
Dairy products	1,556	1,494	1,541	1,502	1,513	1,563	1,461	1,557	1,520	1,594	1,519	1,493	1,487
Poultry and eggs	889	898	954	958	997	1,039	931	1,001	692	938	903	918	903
Other	86	208	282	110	92	123	82	94	100	97	94	234	84
Crops	5,698	6,311	8,311	8,107	6,580	6,261	3,831	4,120	3,270	3,777	3,704	5,188	5,225
Food grains	1,453	866	878	691	583	610	390	472	345	275	852	1,652	1,380
Feed crops	1,111	1,243	979	1,575	1,237	1,582	971	700	590	667	932	1,152	978
Cotton (lint and seed)	55	182	892	963	917	636	249	139	-201	-14	-18	27	147
Tobacco	572	549	289	395	453	343	36	12	20	0	0	10	552
Oil-bearing crops	839	1,093	2,769	2,001	1,218	1,621	689	1,120	751	1,133	403	571	454
Vegetables and melons	725	990	1,019	631	653	614	562	696	741	714	533	635	765
Fruits and tree nuts	507	729	738	728	612	427	412	310	220	361	573	689	512
Other	436	659	747	1,125	909	548	522	671	804	641	429	452	437
Government payments	583	854	1,195	1,418	1,803	848	1,892	1,896	414	126	204	390	155
Total cash receipts²	11,912	12,917	15,527	15,312	14,175	13,183	11,558	12,311	9,478	10,078	9,666	10,957	11,102

¹Receipts from loans represent value of loans minus value of redemptions during the month. ²Cash receipts estimates reported in this issue for 1983 contain revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

Cash receipts¹ from farm marketings, by States, January-August

State	Livestock and products		Crops ²		Total ²	
	1983	1984	1983	1984	1983	1984
	\$Mil.					
North Atlantic						
Maine	163.4	169.4	96.9	122.8	260.4	292.1
New Hampshire	52.9	52.1	21.4	22.3	74.3	74.4
Vermont	265.3	253.4	24.4	24.8	289.7	278.2
Massachusetts	91.3	91.3	102.8	102.6	194.1	193.9
Rhode Island	8.3	8.2	10.4	10.3	18.8	18.6
Connecticut	130.1	146.4	80.5	81.1	210.6	227.6
New York	1,293.6	1,277.9	404.0	390.0	1,697.6	1,667.9
New Jersey	89.9	89.1	272.1	242.5	362.1	331.5
Pennsylvania	1,484.3	1,493.8	485.2	483.3	1,969.4	1,977.1
North Central						
Ohio	1,004.9	1,079.4	1,251.1	1,114.8	2,255.9	2,194.2
Indiana	1,184.5	1,203.1	1,270.9	944.7	2,455.4	2,147.8
Illinois	1,557.2	1,469.4	4,374.1	3,068.5	5,931.2	4,537.8
Michigan	831.6	829.6	943.4	873.2	1,775.0	1,702.9
Wisconsin	2,815.7	2,734.5	633.6	566.7	3,449.5	3,301.2
Minnesota	2,220.2	2,120.0	1,811.1	1,348.0	4,031.4	3,468.0
Iowa	3,671.5	3,369.6	2,895.8	2,003.8	6,567.3	5,373.4
Missouri	1,503.1	1,502.8	917.2	917.2	2,420.4	2,420.0
North Dakota	423.6	414.8	1,284.2	964.4	1,707.8	1,379.2
South Dakota	1,120.7	1,088.5	596.3	626.9	1,717.0	1,715.4
Nebraska	2,805.8	2,795.1	1,462.0	948.7	4,267.8	3,743.9
Kansas	2,428.9	2,646.4	1,565.4	1,471.0	3,994.3	4,117.4
Southern						
Delaware	199.3	257.4	59.5	60.6	258.8	318.0
Maryland	448.2	516.0	183.2	150.8	631.4	668.8
Virginia	546.8	589.5	282.8	246.1	829.6	835.6
West Virginia	110.1	107.6	27.5	24.7	137.7	132.5
North Carolina	1,058.2	1,196.2	904.5	890.3	1,962.7	2,086.5
South Carolina	258.6	284.5	357.6	439.7	616.1	724.2
Georgia	1,126.8	1,234.7	706.9	648.3	1,833.7	1,882.9
Florida	652.8	658.3	2,520.5	2,436.1	3,173.3	3,094.5
Kentucky	829.0	788.6	606.0	507.7	1,435.0	1,296.2
Tennessee	581.9	576.4	439.3	386.0	1,021.2	962.5
Alabama	850.8	919.0	374.0	311.7	1,224.8	1,230.7
Mississippi	603.1	647.9	521.6	405.1	1,124.7	1,052.9
Arkansas	960.6	1,093.2	478.5	447.7	1,439.1	1,540.9
Louisiana	318.3	326.7	377.8	387.8	696.0	714.4
Oklahoma	1,067.4	1,069.5	696.2	853.6	1,763.6	1,723.1
Texas	3,618.2	4,164.1	2,213.8	1,925.2	5,832.0	6,089.3
Western						
Montana	372.5	359.2	539.8	405.1	912.3	764.3
Idaho	567.5	559.8	486.9	605.0	1,054.4	1,164.8
Wyoming	245.4	246.9	54.9	57.0	300.2	303.9
Colorado	1,260.0	1,287.9	528.5	589.4	1,788.5	1,877.3
New Mexico	339.2	324.8	169.4	172.1	508.7	496.9
Arizona	461.8	513.4	519.2	473.1	981.0	986.5
Utah	311.4	316.1	83.9	78.0	395.3	394.1
Nevada	99.1	102.8	43.6	43.8	142.7	146.6
Washington	636.2	661.7	1,070.5	1,137.5	1,706.7	1,799.2
Oregon	357.9	359.7	620.4	673.8	978.3	1,033.5
California	2,761.0	2,970.3	4,535.4	4,594.4	7,296.4	7,564.6
Alaska	5.0	5.0	4.2	4.2	9.2	9.2
Hawaii	57.9	57.8	297.6	294.2	355.5	352.0
United States	45,851.6	47,032.0	40,207.1	35,376.5	86,058.8	82,408.4

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm marketing indexes (physical volume)

	Annual			1983	1984					
	1981	1982	1983 p	Aug	Mar	Apr	May	June	July	Aug
1977=100										
All commodities	111	120	110	107	105	97	118	101	114	106
Livestock and products	103	104	106	103	104	104	112	108	102	102
Crop	119	136	114	111	107	88	127	91	126	109

p = preliminary. Volume of marketing indexes reported in this issue for 1983 contains revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

Farm production¹

Item	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984 ²
1977=100										
Farm output	95	97	100	104	111	103	118	114	93	108
All livestock products ³	95	99	100	101	104	108	109	107	109	107
Meat animals	97	100	100	100	103	107	106	101	103	102
Dairy products	94	98	100	99	101	105	108	110	114	110
Poultry and eggs	92	98	100	106	114	115	119	119	120	122
All crops ⁴	93	92	100	102	113	101	116	118	87	110
Feed grains	91	96	100	108	116	97	121	124	66	113
Hay and forage	100	94	100	106	108	98	106	110	100	107
Food grains	108	107	100	93	108	121	144	140	116	128
Sugar crops	114	112	100	101	94	97	107	96	93	94
Cotton	58	74	100	76	102	79	109	85	54	92
Tobacco	114	112	100	106	80	93	108	104	75	91
Oil crops	86	74	100	105	129	99	114	124	88	111
Cropland used for crops	97	98	100	97	100	102	103	102	88	98
Crop production per acre	96	94	100	105	113	99	113	116	99	112

¹ For historical data and indexes, see Changes in Farm Production and Efficiency USDA Statistical Bulletin 657. ² Preliminary indexes for 1984 based on October 1984 Crop Production report and other releases of the Crop Reporting Board, SRS. ³ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

Transportation Data

Rail rates; grain and fruit-vegetable shipments

	Annual			1983	1984					
	1981	1982	1983	Sept	Apr	May	June	July	Aug	Sept
Rail freight rate index ¹										
All products (1969=100)	327.6	351.4	355.8	355.6	371.1	371.1	371.1p	372.4p	372.4p	372.5p
Farm products (1969=100)	315.0	337.2	342.9	343.2	357.7	357.7	357.7p	359.0p	359.0p	359.6p
Grain (Dec. 1978=100)	148.1	159.5	160.2	160.2	167.2r	167.2	167.2p	167.9p	167.9p	167.9p
Food products (1969=100)	329.4	353.2	356.6	356.4	371.9	371.9	371.9p	373.2p	373.2p	373.2p
Rail carloadings of grain (thou. cars) ²	26.3	24.9	26.1	29.5	27.0	23.6	24.3	26.6	28.7	30.2
Barge shipments of grain (mil. bu.) ³	37.9	41.2	40.8	37.0	38.7	36.5	36.3	33.7	31.8	41.4
Fresh fruit and vegetable shipments										
Piggy back (thousand cwt.) ^{3,4}	282	387	551	549	666	792	811	633	520	459
Rail (thou. cwt.) ^{3,4}	888	698	769	666	628	825	934	476	266	362
Truck (thou. cwt.) ^{3,4}	7,769	7,849	7,873	7,079	8,817	9,654	10,337	9,754	7,923	8,807

¹ Department of Labor, Bureau of Labor Statistics, revised April 1982. ² Weekly average, from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1984. p = preliminary, r = revised.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1983	1984					
	1981	1982	1983	Oct.	May	June	July	Aug	Sept	Oct p
1977=100										
Prices Received										
All farm products	139	133	134	134	144	144	144	143	139	138
All crops	134	121	127	133	144	145	142	144	136	138
Food grains	166	146	148	150	150	143	136	142	142	141
Feed grains and hay	141	120	144	151	160	158	153	146	137	131
Feed grains	145	120	146	153	162	162	158	149	140	132
Cotton	111	92	104	106	122	115	113	111	107	107
Tobacco	140	154	147	156	149	149	149	157	168	165
Oil-bearing crops	110	88	102	120	125	123	110	100	95	93
Fruit	130	175	126	115	161	203	207	246	245	287
Fresh market ¹	132	186	127	114	170	221	228	275	272	323
Commercial vegetables	136	127	131	134	122	118	121	142	129	138
Fresh market	135	120	128	133	117	112	115	142	126	139
Potatoes ²	177	125	123	115	168	173	231	215	120	112
Livestock and products	143	145	141	135	145	143	145	143	141	138
Meat animals	150	155	147	134	153	152	155	152	146	142
Dairy products	142	140	140	142	134	132	133	135	140	143
Poultry and eggs	116	110	118	125	133	125	129	120	123	117
Prices paid										
Commodities and services										
Interest, taxes, and wage rates	150	157	161	161	166	166	165	165	165	164
Production items	148	150	153	153	157	157	156	155	154	153
Feed	134	122	134	141	143	141	137	133	129	125
Feeder livestock	164	164	160	146	153	150	150	152	149	151
Seed	138	141	141	142	153	153	153	153	156	156
Fertilizer	144	144	137	134	147	147	147	147	147	141
Agricultural chemicals	111	119	125	126	129	129	129	129	129	129
Fuels & energy	213	210	202	206	204	203	201	199	200	201
Farm & motor supplies	147	152	152	148	148	148	148	147	147	148
Autos & trucks	143	159	170	172	181	182	182	183	183	183
Tractors & self-propelled machinery	152	165	174	177	180	182	182	182	182	182
Other machinery	146	160	171	174	177	182	182	182	183	183
Building & fencing	134	135	138	138	139	137	137	137	137	137
Farm services & cash rent	137	145	147	147	151	151	151	151	151	151
Interest payable per acre on farm real estate debt	211	241	251	251	256	256	256	256	256	256
Taxes payable per acre on farm real estate	123	131	137	137	145	145	145	145	145	145
Wage rates (seasonally adjusted)	137	143	147	148	152	152	150	150	150	150
Production items, interest, taxes, and wage rates	151	155	159	159	164	163	162	162	161	160
Prices received (1910-14=100)	633	609	616	613	659	658	657	655	634	632
Prices paid, etc. (Parity index) (1910-14=100)	1,035	1,076	1,105	1,110	1,140	1,139	1,136	1,134	1,132	1,129
Parity ratio ³	61	57	56	57	58	58	58	58	57	57

¹Fresh market for noncitrus and fresh market and processing for citrus. ²Includes sweet potatoes and dry edible beans. ³Ratio of index of prices received to index of prices paid, taxes, and wage rates. (1910-14=100). p = preliminary.

Prices received by farmers, U.S. average

	Annual*			1983	1984					
	1981	1982	1983	Oct	May	June	July	Aug	Sept	Oct p
Crops										
All wheat (\$/bu.)	3.88	3.52	3.59	3.61	3.65	3.45	3.28	3.42	3.43	3.42
Rice, rough (\$/cwt.)	11.94	8.36	8.31	8.80	8.24	8.20	8.18	8.23	8.12	8.04
Corn (\$/bu.)	2.92	2.37	2.99	3.15	3.34	3.37	3.30	3.12	2.90	2.72
Sorghum (\$/cwt.)	4.72	4.00	4.89	5.01	5.08	4.95	4.69	4.55	4.24	4.11
All hay, baled (\$/ton)	67.67	69.17	75.13	78.50	84.90	78.70	71.80	71.70	71.90	71.60
Soybeans (\$/bu.)	6.92	5.78	6.73	7.96	8.12	7.99	6.95	6.50	6.09	6.04
Cotton, upland (cts./lb.)	67.1	55.5	63.2	63.1	73.6	69.5	68.2	67.2	64.6	65.0
Potatoes (\$/cwt.)	6.95	5.10	4.98	4.14	6.79	7.41	10.40	9.57	4.76	4.32
Dry edible beans (\$/cwt.)	28.59	16.82	18.22	23.90	20.40	20.60	21.60	21.10	19.00	19.20
Apples for fresh use (cts./lb.)	13.2	15.3	13.2	16.5	15.4	15.3	16.6	18.3	20.7	18.4
Pears for fresh use (\$/ton)	264	300	287	260	86	101	—	237	271	300
Oranges, all uses (\$/box) ¹	3.77	7.47	3.68	1.06	6.69	10.01	10.79	13.49	11.95	15.01
Grapefruit, all uses (\$/box) ¹	3.65	2.04	2.02	3.32	3.60	2.51	1.18	2.28	2.30	5.26
Livestock										
Beef cattle (\$/cwt.)	58.51	56.97	55.83	51.70	58.60	57.60	57.60	56.60	55.70	54.30
Calves (\$/cwt.)	64.46	60.18	62.13	57.20	60.80	59.20	58.50	59.10	56.60	58.40
Hogs (\$/cwt.)	43.81	52.78	47.02	40.40	47.20	49.00	52.00	50.40	46.30	43.20
Lambs (\$/cwt.)	55.38	54.55	55.48	50.90	59.50	57.50	58.60	61.00	61.80	61.90
All milk, sold to plants (\$/cwt.)	13.76	13.59	13.57	13.80	13.00	12.80	12.90	13.10	13.60	13.90
Milk, manuf. grade (\$/cwt.)	12.73	12.66	12.63	12.90	12.10	12.00	12.10	12.10	12.70	12.90
Broilers (cts./lb.)	28.4	26.8	28.5	29.7	33.5	33.2	35.5	30.6	32.1	29.5
Eggs (cts./doz.) ²	62.6	59.3	60.7	68.1	88.9	61.0	59.9	58.6	58.4	55.3
Turkeys (cts./lb.)	38.5	37.5	36.5	39.9	42.7	42.5	44.0	45.2	46.6	51.1
Wool (cts./lb.) ³	91.1	68.0	61.5	66.4	87.8	87.7	86.4	83.5	76.1	81.3

¹ Equivalent on-tree returns. ² Average of all eggs sold by producers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. *Calendar year averages. p = preliminary.

Producer and Consumer Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1984								
	1983	Sept	Feb	Mar	Apr	May	June	July	Aug	Sept
1967=100										
Consumer price index, all items	298.4	301.8	306.6	307.3	308.8	309.7	310.7	311.7	313.0	314.5
Consumer price index, less food	298.3	302.3	305.9	306.8	308.6	310.0	311.0	312.0	313.2	315.2
All food	291.7	292.6	302.1	302.2	302.3	301.4	302.0	303.2	304.8	304.2
Food away from home	319.9	322.2	328.5	329.8	330.9	332.6	333.1	334.4	335.5	335.8
Food at home	282.2	282.5	293.6	293.1	292.8	290.7	291.4	292.5	294.4	293.4
Meats ¹	267.2	262.6	270.0	268.8	268.9	267.9	266.8	267.3	269.9	268.0
Beef and veal	272.3	268.0	280.9	279.9	280.8	278.3	274.2	272.1	274.3	271.9
Pork	255.8	250.2	250.6	248.6	247.7	248.0	250.5	255.5	259.9	257.5
Poultry	197.5	204.4	225.5	223.2	222.3	218.0	219.6	221.3	216.5	217.2
Fish	374.9	372.6	386.2	385.3	387.3	380.8	382.3	387.0	387.0	390.6
Eggs	187.1	193.3	270.3	237.2	249.6	218.9	185.8	182.7	179.3	178.6
Dairy products ²	250.0	250.2	250.9	250.8	251.5	251.0	251.7	252.2	252.7	254.9
Fats and oils ³	263.1	264.8	281.1	280.7	282.4	282.9	285.4	291.4	295.4	295.1
Fruits and vegetables	292.2	297.6	321.0	323.2	315.3	310.2	318.1	320.0	327.7	319.7
Fresh	297.6	306.6	342.8	344.3	326.5	316.0	329.7	332.4	345.7	332.5
Processed	288.8	290.2	299.9	302.8	305.7	306.5	308.0	309.2	310.7	308.4
Cereals and bakery products	292.5	293.7	300.3	301.5	302.8	303.5	304.9	306.6	307.8	307.9
Sugar and sweets	374.4	376.4	381.2	384.8	387.7	390.0	391.2	391.8	392.6	393.7
Beverages, nonalcoholic	432.2	431.2	441.8	443.5	443.6	441.7	442.3	442.7	441.5	444.0
Apparel commodities less footwear	180.8	185.3	179.3	182.3	182.6	181.7	179.8	176.9	183.1	187.8
Footwear	206.9	208.0	206.4	207.7	208.9	210.2	209.6	208.0	207.7	211.1
Tobacco products	291.0	298.0	305.4	305.6	305.9	305.9	308.1	313.2	313.9	314.1
Beverages, alcoholic	216.5	218.4	219.9	220.7	221.3	221.5	222.4	222.5	222.9	223.1

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer price indexes, U.S. average (not seasonally adjusted)

	Annual			1983	1984					
	1981	1982	1983 p	Sept	Apr	May	June	July	Aug	Sept
	1967=100									
Finished goods ¹	269.8	280.6	285.2	285.1	291.2	291.1	291.2	292.6	291.8	289.8
Consumer foods	253.6	259.3	261.8	263.0	274.3	271.7	270.8	275.6	274.2	273.4
Fresh fruit	228.9	236.9	251.2	262.6	213.2	239.4	259.7	251.1	268.0	301.5
Fresh and dried vegetables	278.0	246.5	248.9	264.4	283.5	240.2	262.5	284.8	294.6	259.8
Eggs	187.1	178.7	n.a.	200.1	264.4	201.0	177.9	184.9	181.2	177.6
Bakery products	268.2	275.4	285.7	287.0	294.5	295.6	298.9	300.6	301.3	302.1
Meats	239.0	250.6	236.7	228.0	239.8	235.8	233.1	245.1	239.1	235.5
Beef and veal	246.8	245.0	236.7	226.6	247.4	238.6	231.5	237.5	231.0	229.2
Pork	218.1	251.1	227.6	221.6	218.0	219.7	224.0	252.4	240.9	232.0
Poultry	193.3	178.7	185.0	198.9	211.5	206.6	200.7	208.0	194.3	202.1
Fish	377.8	422.4	448.2	440.1	566.5	556.2	449.1	468.3	463.0	453.6
Dairy products	245.6	248.9	250.6	250.5	249.2	248.9	249.4	251.4	251.0	255.2
Processed fruits and vegetables	261.2	274.5	277.1	278.1	295.6	297.4	298.2	296.5	296.4	292.0
Shortening and cooking oils	238.0	234.4	256.1	305.0	297.8	322.8	329.5	320.2	317.9	312.7
Consumer finished goods less foods	276.5	287.8	291.4	291.4	293.5	295.1	295.3	295.4	294.4	291.9
Beverages, alcoholic	189.5	197.8	205.0	206.7	210.0	211.6	208.0	211.0	210.1	210.4
Soft drinks	305.1	319.1	327.4	327.1	337.6	340.0	338.5	340.7	342.5	342.9
Apparel	186.0	194.4	197.1	197.4	200.3	201.2	200.7	201.9	201.8	202.3
Footwear	240.9	245.0	250.1	251.6	251.8	251.8	250.3	250.1	250.9	252.1
Tobacco products	268.3	323.2	365.3	376.5	390.4	390.6	400.2	407.9	407.6	406.7
Intermediate materials ²	306.0	310.4	312.3	315.5	320.3	320.9	321.6	321.7	321.1	320.3
Materials for food manufacturing	260.4	255.1	258.4	269.4	271.4	276.0	274.7	276.6	272.7	269.9
Flour	191.9	183.4	186.4	189.7	188.3	187.2	190.6	188.9	183.4	182.8
Refined sugar ³	171.8	161.3	172.0	174.7	174.5	174.6	174.4	174.5	174.3	172.8
Crude vegetable oils	185.4	160.1	193.8	289.6	253.6	306.7	298.4	277.6	267.9	248.8
Crude materials ⁴	329.0	319.5	323.6	328.5	339.4	338.0	333.2	334.5	329.3	326.7
Foodstuffs and feedstuffs	257.4	247.8	252.2	257.2	269.7	266.4	260.7	264.0	256.9	253.1
Fruits and vegetables ⁵	267.3	253.7	262.1	276.0	262.8	251.1	272.9	281.2	293.3	289.7
Grains	248.4	210.9	240.4	258.0	262.1	256.2	257.8	248.9	236.9	231.4
Livestock	248.0	257.8	243.1	231.5	260.8	254.8	250.0	260.1	253.7	244.9
Poultry, live	201.2	191.9	206.5	242.2	240.8	240.6	227.7	259.2	218.6	239.7
Fibers, plant and animal	242.0	202.9	227.0	238.7	252.3	259.1	252.7	235.8	211.3	210.3
Milk	287.4	282.5	282.0	284.4	272.7	271.7	271.8	273.9	276.8	282.1
Oilseeds	277.6	214.5	245.3	305.7	280.1	298.7	281.9	249.8	245.7	228.3
Coffee, green	330.1	311.5	300.1	301.3	310.2	310.2	310.2	310.2	310.2	310.2
Tobacco, leaf	246.9	269.9	274.2	283.8	n.a.	274.6	261.0	261.0	275.0	295.6
Sugar, raw cane	272.7	278.5	315.9	321.4	314.4	315.4	315.5	315.7	311.1	312.6
All commodities	293.4	299.3	303.1	305.3	311.3	311.5	311.4	312.0	310.9	309.5
Industrial commodities	304.1	312.3	315.7	317.1	322.6	323.2	323.9	324.0	323.5	322.3
All foods ⁶	251.8	254.4	257.5	260.7	271.6	269.8	267.6	272.1	270.1	268.9
Farm products and processed foods and feeds	251.5	248.9	253.9	259.1	267.3	265.8	262.7	265.2	261.6	259.6
Farm products	254.9	242.4	248.2	256.4	265.4	260.8	257.1	258.6	253.2	249.7
Processed foods and feeds	248.7	251.5	255.9	259.6	267.2	267.5	264.8	267.7	265.2	264.0
Cereal and bakery products	255.5	253.8	261.0	263.6	268.3	268.7	271.5	272.2	271.8	272.0
Sugar and confectionery	275.9	269.7	292.8	300.2	301.9	303.8	304.0	305.3	304.1	302.7
Beverages	248.0	256.9	263.6	264.3	271.4	273.5	271.7	273.8	274.2	274.7

¹ Commodities ready for sale to ultimate consumer. ² Commodities requiring further processing to become finished goods. ³ All types and sizes of refined sugar. ⁴ Products entering market for the first time which have not been manufactured at that point. ⁵ Fresh and dried. ⁶ Includes all raw, intermediate, and processed foods (excludes soft drinks, alcoholic beverages, and manufactured animal feeds). n.a. = not available.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1983		1984				
	1981	1982	1983 p	Sept	Apr	May	June	July	Aug	Sept
Market basket¹										
Retail cost (1967=100)	257.1	266.4	268.7	269.2	279.4	277.4	278.0	279.0	281.4	280.0
Farm value (1967=100)	243.0	245.7	240.3	241.4	259.5	252.2	250.2	253.2	253.5	246.2
Farm-retail spread (1967=100)	265.4	278.6	285.5	285.6	291.1	292.2	294.2	294.2	297.8	299.8
Farm value/retail cost (%)	35.0	34.2	33.1	33.2	34.4	33.7	33.3	33.6	33.4	32.6
Meat products										
Retail cost (1967=100)	257.8	270.3	267.2	262.6	268.9	267.9	266.8	267.3	269.9	268.0
Farm value (1967=100)	235.5	251.3	235.8	223.9	250.1	242.7	237.5	247.3	247.2	237.8
Farm-retail spread (1967=100)	284.0	292.4	304.0	307.9	291.0	297.4	301.2	290.7	296.5	303.3
Farm value/retail cost (%)	49.3	50.2	47.6	46.0	50.2	48.9	48.0	49.9	49.4	47.9
Dairy products										
Retail cost (1967=100)	243.6	247.0	250.0	250.2	251.5	251.0	251.7	252.2	252.7	254.9
Farm value (1967=100)	265.9	261.9	262.1	263.8	252.5	253.6	253.8	257.0	258.3	259.1
Farm-retail spread (1967=100)	224.1	233.9	239.3	238.2	250.6	248.5	249.8	248.0	247.8	251.2
Farm value/retail cost (%)	51.0	49.6	49.0	49.3	47.0	47.3	47.2	47.6	47.8	47.5
Poultry										
Retail cost (1967=100)	198.6	194.9	197.5	204.4	222.3	218.0	219.6	221.3	216.5	217.2
Farm value (1967=100)	210.2	201.9	213.0	237.7	254.5	246.2	244.3	259.5	233.7	244.3
Farm-retail spread (1967=100)	187.4	188.1	182.4	172.1	191.1	190.7	195.7	184.4	199.9	191.0
Farm value/retail cost (%)	52.0	50.7	53.1	57.2	56.3	55.5	54.7	57.7	53.1	55.3
Eggs										
Retail cost (1967=100)	183.8	178.7	187.1	193.3	249.6	218.9	185.8	182.7	179.3	178.6
Farm value (1967=100)	206.5	189.8	206.1	217.1	313.1	223.3	192.8	189.2	184.4	182.6
Farm-retail spread (1967=100)	150.9	162.7	159.5	158.8	157.8	212.4	175.7	173.3	171.9	172.8
Farm value/retail cost (%)	66.4	62.8	65.1	66.4	74.1	60.3	61.3	61.2	60.8	60.4
Cereal and bakery products										
Retail cost (1967=100)	271.1	283.4	292.5	293.7	302.8	303.5	304.9	306.6	307.8	307.9
Farm value (1967=100)	204.4	178.8	186.6	200.0	203.4	203.9	199.4	188.5	188.8	185.5
Farm-retail spread (1967=100)	284.9	305.1	314.0	313.1	323.4	324.1	326.7	331.0	332.4	333.2
Farm value/retail cost (%)	12.9	10.8	11.1	11.7	11.5	11.5	11.2	10.5	10.5	10.3
Fresh fruits										
Retail cost (1967=100)	286.1	323.2	303.6	327.6	313.3	330.1	358.9	364.2	374.0	388.5
Farm value (1967=100)	238.8	288.8	220.6	224.3	256.6	282.7	342.9	309.5	346.9	351.8
Farm-retail spread (1967=100)	307.3	338.7	340.8	374.0	339.1	351.7	366.1	388.7	386.2	405.0
Farm value/retail cost (%)	25.9	27.7	22.5	21.2	25.3	26.5	29.6	26.3	28.7	28.1
Fresh vegetables										
Retail costs (1967=100)	287.4	288.9	299.3	297.2	347.4	316.8	317.1	318.8	338.7	302.3
Farm value (1967=100)	285.6	261.3	267.4	275.4	332.0	268.5	289.8	315.9	367.0	272.8
Farm-retail spread (1967=100)	288.3	301.8	314.3	307.4	354.7	339.5	329.9	320.2	325.4	316.2
Farm value/retail cost (%)	31.8	28.9	28.6	29.6	30.6	27.1	29.2	31.7	34.6	28.8
Processed fruits and vegetables										
Retail cost (1967=100)	271.5	286.0	288.8	290.2	305.7	306.5	308.0	309.2	310.7	308.4
Farm value (1967=100)	290.6	269.2	252.5	255.3	265.5	277.1	260.9	267.6	261.3	261.5
Farm-retail spread (1967=100)	267.3	289.7	296.8	298.1	314.6	313.0	314.0	318.4	321.6	318.8
Farm value/retail cost (%)	19.4	17.1	15.8	15.9	15.7	16.4	16.5	15.7	15.2	15.4
Fats and oils										
Retail cost (1967=100)	267.1	259.9	263.1	264.8	282.4	282.9	285.4	291.4	295.4	295.1
Farm value (1967=100)	262.4	207.8	251.0	337.5	344.8	408.0	380.2	325.6	296.1	283.6
Farm-retail spread (1967=100)	268.9	279.9	267.8	236.8	258.4	234.8	248.9	278.3	295.1	299.5
Farm value/retail cost (%)	27.3	22.2	26.5	35.4	33.9	40.1	37.0	31.0	27.8	26.7

¹ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Note: Annual historical data on farm-retail price spreads may be found in Food Consumption, Prices and Expenditure, Statistical Bulletin 702, ERS, USDA.

Farm-retail price spreads

	Annual			1983		1984				
	1981	1982	1983	Sept	Apr	May	June	July	Aug	Sept
Beef, Choice										
Retail price ¹ (cts./lb.)	238.7	242.5	238.1	234.7	244.8	241.9	239.7	236.3	237.1	235.2
Net carcass value ² (cts.)	149.3	150.7	145.4	136.1	152.9	146.9	144.4	148.5	144.0	139.3
Net farm value ³ (cts.)	138.5	140.5	136.2	125.3	145.5	137.8	136.7	140.9	137.0	131.6
Farm-retail spread (cts.)	100.2	102.0	101.9	109.4	99.3	104.1	103.0	95.4	100.1	103.6
Carcass-retail spread ⁴ (cts.)	89.4	91.8	92.7	98.6	91.9	95.0	95.3	87.8	93.1	95.9
Farm-carcass spread ⁵ (cts.)	10.8	10.2	9.2	10.8	7.4	9.1	7.7	7.6	7.0	7.7
Farm value/retail price (%)	58	58	57	53	59	57	57	60	58	56
Pork										
Retail price ¹ (cts./lb.)	152.4	175.4	169.8	163.9	159.8	158.6	159.9	162.2	166.1	163.6
Wholesale value ² (cts.)	106.7	121.8	108.9	103.4	107.1	110.6	110.8	117.9	115.9	111.7
Net farm value ³ (cts.)	70.3	88.0	76.5	72.4	76.0	75.6	80.0	85.9	82.6	75.0
Farm-retail spread (cts.)	82.1	87.4	93.3	91.5	83.8	83.0	79.9	76.3	83.5	88.6
Wholesale-retail spread ⁴ (cts.)	45.7	53.6	60.9	60.5	52.7	48.0	49.1	44.3	50.2	51.9
Farm-wholesale spread ⁵ (cts.)	36.4	33.8	32.4	31.0	31.1	35.0	30.8	32.0	33.3	36.7
Farm value/retail price (%)	46	50	45	44	48	48	50	53	50	46

¹ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from BLS. ² Value of carcass quantity equivalent to 1 lb. of retail cuts: beef adjusted for value of fat and bone byproducts. ³ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing, and transportation to city where consumed.

Price indexes of food marketing costs¹

	Annual			1983			1984		
	1981	1982	1983	II	III	IV	I	II	III p
				1967=100					
Labor-hourly earnings and benefits	321.3	342.7	354.7	354.9	356.6	360.2	365.8	368.1	365.9
Processing	309.2	330.0	340.9	341.5	339.8	343.4	350.7	352.6	350.5
Wholesaling	309.5	334.7	350.6	355.0	360.3	363.6	368.0	374.4	375.0
Retailing	338.6	358.9	370.4	368.3	371.7	375.3	379.9	380.8	377.4
Packaging and containers	280.9	275.2	280.7	278.7	282.2	289.6	301.1	306.3	309.3
Paperboard boxes and containers	258.2	254.9	251.0	248.8	251.3	259.2	269.9	278.0	284.2
Metal cans	345.8	363.6	374.3	379.3	372.5	380.1	394.6	396.2	396.2
Paper bags and related products	258.9	264.4	265.4	264.3	264.6	267.5	273.8	280.0	282.7
Plastic films and bottles	262.6	200.0	226.2	215.4	236.7	251.1	272.1	272.1	272.1
Glass containers	328.6	355.5	352.4	352.4	361.3	350.3	350.9	362.0	365.9
Metal foil	203.3	213.2	214.0	211.6	214.0	218.8	223.7	227.8	230.0
Transportation services	345.9	371.0	374.5	374.2	374.2	375.1	390.5	390.5	391.9
Advertising	234.9	260.1	280.2	279.1	283.5	285.8	294.8	299.3	301.7
Fuel and power	669.2	705.1	705.1	689.6	710.2	707.3	710.9	711.5	718.2
Electric	367.9	406.0	417.9	413.6	427.2	419.9	423.8	437.0	455.9
Petroleum	1,056.2	1,012.4	895.9	843.6	884.5	902.0	915.7	883.7	862.8
Natural gas	826.3	990.3	1,155.0	1,171.0	1,177.2	1,151.4	1,137.3	1,159.4	1,180.5
Communications, water and sewage	168.7	186.7	199.6	198.4	200.6	202.4	212.4	214.1	216.4
Rent	255.0	264.3	260.6	261.3	259.5	260.9	258.6	259.9	262.6
Maintenance and repair	304.0	325.1	338.2	336.5	339.1	344.0	346.3	348.5	351.7
Business services	254.2	277.2	291.9	290.0	292.9	296.6	299.8	302.6	305.7
Supplies	283.8	289.1	286.5	285.5	286.7	287.1	287.4	289.1	289.1
Property taxes and insurance	294.0	309.9	327.5	325.9	329.9	332.7	337.9	343.0	345.2
Interest, short-term	288.8	232.6	174.0	168.4	184.7	179.8	184.9	210.8	218.1
Total marketing cost index	317.5	333.9	342.4	341.1	344.1	347.5	354.6	357.5	358.1

¹ Indexes measure changes in employee wages and benefits and in prices of supplies and services used in processing, wholesaling, and retailing U.S. farm foods purchased for at-home consumption. p = preliminary.

Note: Annual historical data on food marketing cost indexes may be found in Food Consumption, Prices, and Expenditures, Statistical Bulletin 702, ERS, USDA.

Livestock and Products

Poultry and eggs

	Annual			1983		1984				
	1981	1982	1983 p	Sept	Apr	May	June	July	Aug	Sept
Broilers										
Federally inspected slaughter, certified (mil. lb.)	11,906	12,039	12,381	1,044.7	1,052.2	1,184.4	1,113.5	1,102.7	1,178.7	—
Wholesale price, 9-city, (cts./lb.) ¹	46.3	44.0	49.4	54.5	56.0	57.6	55.5	57.3	51.5	53.6
Price of broiler grower feed (\$/ton)	227	210	223	240	246	246	243	233	225	221
Broiler-feed price ratio (lb.) ²	2.6	2.5	2.6	2.7	2.8	2.7	2.7	3.0	2.7	2.9
Broilers, stocks beginning of period (mil. lb.)	22.4	32.6	22.3	23.8	14.4	20.6	21.7	17.4	22.5	20.4
Average weekly placements of broiler chicks, 19 States (mil.)	77.1	80.2	80.4	75.2	86.6	86.8	87.5	84.0	84.4	80.1
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	2,509	2,459	2,563	263.7	162.9	202.4	223.3	240.6	267.5	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	60.7	60.8	60.5	65.0	67.0	66.8	67.0	68.6	72.4	—
Price of turkey grower feed (\$/ton)	249	229	247	264	258	258	254	246	238	239
Turkey-feed price ratio (lb.) ²	3.1	3.3	2.9	3.0	3.4	3.3	3.3	3.8	3.8	3.9
Turkeys, stocks beginning of period (mil. lb.)	198.0	238.4	203.9	384.3	149.4	142.2	180.9	226.3	278.2	331.0
Poults placed in U.S. (mil.)	(*)	(*)	181.8	8.1	19.1	21.1	20.4	18.8	13.5	8.8
Eggs										
Farm production (mil.)	69,859	89,680	67,863	5,501	5,644	5,738	5,521	5,739	5,753	5,616
Average number of layers on farms (mil.)	288	286	276	272	278	276	277	276	276	279
Rate of lay (eggs per layer)	243	243	247	20.2	20.3	20.8	20.0	20.8	20.8	20.1
Cartoned price, New York, grade A large (cts./doz.) ³	73.2	70.1	75.2	78.6	103.7	75.9	70.7	71.5	68.8	—
Price of laying feed (\$/ton)	210	190	204	218	214	214	212	209	202	198
Egg-feed price ratio (lb.) ²	6.0	6.1	6.1	6.0	8.5	6.4	5.8	5.7	5.8	5.9
Stocks, first of month										
Shell (thou. cases)	31	34	34	25	36	35	41	42	29	31
Frozen (mil. lb.)	24.3	23.7	25.4	19.0	12.0	12.7	12.8	16.4	17.5	16.6
Replacement chicks hatched (mil.)	454	444	407	31.8	47.2	48.8	46.5	37.8	35.1	32.6

¹ 12-city composite weighted average beginning April 25, 1983. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

³ Price of cartoned eggs to volume buyers for delivery to retailers. ⁴ Not reported.

Wool

	Annual			1983		1984				
	1981	1982	1983	Sept	Apr	May	June	July	Aug	Sept
U.S. wool price, Boston ¹ (cts./lb.)	278	247	212	225	245	234	230	230	230	230
Imported wool price, Boston ² (cts./lb.)	292	262	248	247	252	248	243	231	232	228
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	127,752	105,857	126,729	12,278	11,437	12,144	13,128	8,309	9,681	n.a.
Carpet wool (thou. lb.)	10,896	9,825	11,400	1,368	1,009	960	986	631	683	n.a.

¹ Wool price delivered at U.S. mills, clean basis. Graded Territory 64's (20.60-22.04 microns) staple 2 1/4" and up. ² Wool price delivered at U.S. mills, clean basis. Australian 60/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents. n.a. = not available.

Dairy

	Annual			1983		1984				
	1981	1982	1983	Sept	Apr	May	June	July	Aug	Sept
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	12.57	12.48	12.49	12.48	12.07	12.08	12.09	12.17	12.30	12.64
Price of 16% dairy ration (\$/ton)	192	177	188	198	199	197	195	192	188	187
Milk-feed price ratio (lb.) ²	1.43	1.54	1.45	1.36	1.32	1.31	1.31	1.34	1.39	1.43
Wholesale prices										
Butter, Grade A Chi. (cts./lb.)	148.0	147.7	147.3	151.0	142.9	142.9	150.0	155.6	150.6	158.1
Am. cheese, Wis. assembly pt. (cts./lb.)	139.4	138.3	138.3	139.2	135.9	135.9	136.0	136.7	138.6	144.3
Nonfat dry milk, (cts./lb.) ³	93.1	93.2	93.2	93.4	90.7	90.7	90.7	90.7	90.7	90.7
USDA net removals										
Total milk equiv. (mil. lb.) ⁴	12,860.9	14,281.6	16,813.7	582.9	943.8	1,090.2	704.9	513.7	251.4	46.6
Butter (mil. lb.)	351.5	382.0	413.2	4.4	19.2	22.5	4.0	.9	1.6	-2.4
Am. cheese (mil. lb.)	563.0	642.5	832.8	49.2	55.0	63.1	62.8	49.9	21.8	9.3
Nonfat dry milk (mil. lb.)	851.3	948.1	1,061.0	63.4	71.1	86.8	72.3	64.3	52.3	29.4
Milk										
Total milk production (mil. lb.)	133,013	135,802	139,968	11,262	11,674	12,283	11,832	11,570	11,243	10,827
Milk per cow (lb.)	12,177	12,309	12,587	1,010	1,075	1,132	1,091	1,069	1,038	998
Number of milk cows (thou.)	10,923	11,033	11,120	11,150	10,856	10,851	10,848	10,821	10,833	10,853
Stocks, beginning										
Total milk equiv. (mil. lb.) ⁴	12,958	18,377	20,054	24,844	23,610	23,323	23,772	23,332	22,626	21,805
Commercial (mil. lb.)	5,752	5,398	4,603	5,372	5,348	5,261	5,557	5,610	5,574	5,439
Government (mil. lb.)	7,207	12,980	15,451	19,472	18,262	18,062	18,214	17,722	17,052	16,367
Imports, total equiv. (mil. lb.) ⁴	2,329	2,477	2,616	215	223	221	167	274	229	n.a.
Commercial disappearance										
milk equiv. (mil. lb.)	120,531	122,433	122,790	10,919	10,785	10,839	10,956	11,102	11,077	n.a.
Butter										
Production (mil. lb.)	1,228.2	1,257.0	1,299.2	84.7	106.2	105.9	80.3	72.8	70.6	n.a.
Stocks, beginning (mil. lb.)	304.6	429.2	466.8	581.8	529.3	532.4	535.5	516.7	489.6	462.7
Commercial disappearance (mil. lb.)	869.2	897.3	881.7	80.0	87.3	78.4	80.0	71.4	71.8	n.a.
American cheese										
Production (mil. lb.)	2,642.3	2,752.3	2,927.6	209.4	250.3	269.7	257.2	230.2	206.6	n.a.
Stocks, beginning (mil. lb.)	591.5	889.1	981.4	1,199.1	1,198.6	1,161.4	1,186.8	1,183.9	1,165.7	1,141.4
Commercial disappearance (mil. lb.)	2,147.9	2,166.8	2,083.2	183.6	208.1	197.2	186.6	190.7	192.8	n.a.
Other cheese										
Production (mil. lb.)	1,635.3	1,789.4	1,890.8	163.5	165.0	167.1	162.5	157.6	161.8	n.a.
Stocks, beginning (mil. lb.)	99.3	86.6	82.8	107.4	100.2	101.0	104.6	104.3	107.2	102.5
Commercial disappearance (mil. lb.)	1,875.6	2,044.6	2,133.3	185.5	185.8	187.0	181.6	184.4	191.1	n.a.
Nonfat dry milk										
Production (mil. lb.)	1,314.3	1,400.5	1,499.9	102.1	113.8	128.5	119.8	111.7	88.1	n.a.
Stocks, beginning (mil. lb.)	586.8	889.7	1,282.0	1,480.2	1,421.0	1,442.6	1,420.7	1,421.2	1,407.2	1,345.1
Commercial disappearance (mil. lb.)	464.1	447.7	459.9	54.9	34.7	34.2	47.8	49.1	50.3	n.a.
Frozen dessert production (mil. gal.)⁵	1,167.7	1,178.2	1,221.5	112.9	102.3	117.6	129.3	127.0	124.5	n.a.

¹ Manufacturing grade milk. ² Pounds of 18% protein ration equal in value to 1 pound of milk. ³ Prices paid f.o.b. Central States production area, high heat spray process. ⁴ Milk-equivalent, fat-solids basis. ⁵ Ice cream, ice milk, and sherbet. n.a. = not available.

Meat animals

	Annual			1983		1984				
	1981	1982	1983	Sept	Apr	May	June	July	Aug	Sept
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	7,863	7,201	8,316	6,704	7,568	7,376	7,318	7,125	6,811	6,747
Placed on feed (thou. head)	17,814	20,261	19,727	2,003	1,515	1,798	1,455	1,323	1,665	2,265
Marketings (thou. head)	17,198	18,007	18,680	1,682	1,523	1,637	1,554	1,553	1,668	1,489
Other disappearance (thou. head)	1,263	1,139	1,354	71	184	219	94	84	61	81
Beef steer-corn price ratio:										
Omaha (bu.) ²	22.2	26.5	20.6	17.8	20.4	19.7	19.1	20.4	20.7	21.3
Hog-corn price ratio, Omaha (bu.) ²	15.5	22.9	15.9	13.8	14.5	14.3	14.8	16.6	16.8	16.0
Market prices (\$ per cwt.)										
Slaughter cattle:										
Choice steers, Omaha	63.84	64.30	62.52	59.19	67.86	65.89	64.28	65.79	64.36	62.68
Utility cows, Omaha	41.93	39.96	39.35	37.75	42.88	42.17	42.16	41.48	40.86	39.20
Choice vealers, S. St. Paul	77.16	77.70	72.97	73.38	77.50	78.00	75.47	58.12	52.50	52.50
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	66.24	64.82	63.70	58.31	67.51	65.70	62.70	63.80	64.04	63.98
Slaughter hogs:										
Barrows and gilts, 7-markets	44.45	55.44	47.71	45.70	48.30	48.06	50.36	54.04	52.26	47.33
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	35.40	51.14	33.96	22.96	51.08	42.85	39.48	34.27	34.22	34.95
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	58.40	56.44	57.40	50.88	65.88	63.50	59.88	59.83	58.62	64.75
Ewes, Good, San Angelo	26.15	21.80	16.85	11.62	22.25	13.45	15.56	18.00	17.70	18.31
Feeder lambs:										
Choice, San Angelo	56.86	52.97	54.87	42.94	65.75	57.00	53.12	54.25	57.81	59.56
Wholesale meat prices, Midwest										
Choice steer beef, 600-700 lb.	99.84	101.31	97.83	92.10	103.50	99.62	98.54	101.26	97.61	94.37
Canner and Cutter cow beef	84.06	78.96	78.48	75.27	80.51	75.85	76.25	75.88	75.07	70.75
Pork loins, 8-14 lb. ³	96.56	111.51	—	—	91.86	95.31	97.59	114.92	102.41	97.57
Pork bellies, 12-14 lb.	52.29	76.54	60.58	55.30	58.28	57.38	67.12	64.75	62.17	58.00
Hams, skinned, 14-17 lb.	77.58	91.47	75.60	74.21	77.52	74.44	72.03	73.46	78.22	75.78
Commercial slaughter (thou. head)*										
Cattle	34,953	35,843	36,649	3,313	2,854	3,300	3,187	3,126	3,394	3,039
Steers	17,508	17,277	17,486	1,508	1,400	1,629	1,569	1,441	1,531	1,378
Heifers	10,027	10,394	10,758	1,033	762	896	878	935	998	892
Cows	6,643	7,354	7,597	700	628	702	668	680	786	701
Bulls and stags	775	818	808	71	64	73	72	70	79	68
Calves	2,798	3,021	3,076	283	249	255	242	275	314	267
Sheep and lambs	6,008	6,449	6,619	617	616	574	517	529	583	547
Hogs	91,575	82,190	87,584	7,500	7,161	7,366	6,594	6,002	6,844	6,646
Commercial production (mil. lb.)										
Beef	22,214	22,366	23,060	2,090	1,776	2,059	1,984	1,935	2,111	1,903
Veal	415	423	428	38	36	39	38	39	44	39
Lamb and mutton	327	356	367	33	34	31	27	28	31	29
Pork	15,716	14,121	15,117	1,273	1,233	1,281	1,156	1,040	1,175	1,139

Cattle on feed (13-States)										
Number on feed (thou. head) ¹	9,845	9,028	10,271	9,153	9,070	8,465	9,908	9,340	8,700	9,000
Placed on feed (thou. head)	21,929	24,415	23,756	5,894	5,583	7,252	5,511	5,572	6,237	—
Marketings (thou. head)	21,219	21,799	22,528	5,527	5,891	5,416	5,714	5,630	5,669	\$ 5,695
Other disappearance (thou. head)	1,527	1,373	1,591	450	297	393	365	582	268	—
Hogs and pigs (10-States) ⁴										
Inventory (thou. head) ¹	45,970	42,440	43,430	41,840	45,250	45,880	43,430	39,820	41,330	42,780
Breeding (thou. head) ¹	6,021	5,670	5,605	5,928	6,224	5,829	5,605	5,392	5,735	5,515
Market (thou. head) ¹	39,949	36,770	37,825	35,912	39,026	40,051	37,825	34,428	35,595	37,265
Farrowings (thou. head)	9,821	8,930	9,628	2,768	2,400	2,370	1,926	2,462	2,225	\$ 2,261
Pig crop (thou. head)	72,591	65,767	71,892	21,063	17,675	17,611	13,988	18,677	16,901	—

¹ Beginning of period. ² Bushels of corn equal in value to 100 pounds liveweight. ³ Beginning January 1984 prices are for 14-17 lbs. ⁴ Quarters are Dec. preceding year: Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). ⁵ Intentions. *Classes estimated.

Crops and Products

Food grains

	Marketing year ¹			1983	1984					
	1980/81	1981/82	1982/83	Sept	Apr	May	June	July	Aug	Sept
Wholesale prices										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	4.45	4.27	3.94	3.90	3.93	3.72	3.80	3.67	3.80	3.89
Wheat, DNS, Minneapolis (\$/bu.) ²	4.46	4.17	3.94	4.30	4.28	4.39	4.40	4.21	3.72	3.57
Rice, S.W. La. (\$/cwt.) ³	25.95	20.20	18.00	19.25	19.25	19.25	19.25	19.25	19.25	19.25
Wheat										
Exports (mil. bu.)	1,514	1,771	1,509	129	105	121	113	138	148	n.a.
Mill grind (mil. bu.)	643	631	656	62	54	60	54	51	n.a.	n.a.
Wheat flour production (mil. cwt.)	290	280	292	27	24	26	24	23	n.a.	n.a.

	Marketing year ¹			1983				1984		
	1980/81	1981/82	1982/83	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept p
Wheat										
Stocks, beginning (mil. bu.)	902	989	1,159	2,506	1,862	1,515	2,955	2,326	1,756	1,394
Domestic use										
Food (mil. bu.)	610	602	616	151	97	210	161	163	96	n.a.
Feed and seed (mil. bu.) ⁴	166	254	318	53	12	316	118	44	42	n.a.
Exports (mil. bu.)	1,514	1,771	1,509	442	228	475	362	364	226	n.a.

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual. n.a. = not available.

Feed grains

	Marketing year ¹			1983	1984					
	1980/81	1981/82	1982/83	Sept	Apr	May	June	July	Aug	Sept
Wholesale prices										
Corn, No. 2 yellow, St. Louis (\$/bu.)	3.35	2.61	2.98	3.60	3.61	3.58	3.57	3.43	3.33	3.09
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	5.36	4.29	4.96	5.55	5.36	5.39	5.40	4.95	4.74	4.46
Barley, feed, Minneapolis (\$/bu.)	2.60	2.21	1.76	2.61	2.74	2.77	2.59	2.18	2.13	2.05
Barley, malting, Minneapolis (\$/bu.)	3.64	3.06	2.53	2.90	3.04	3.06	3.04	2.86	2.48	2.44
Exports										
Corn (mil. bu.)	2,355	1,967	1,870	144	175	164	112	130	136	109
Feed grains (mil. metric tons) ²	69.4	58.4	54.0	4.6	5.0	4.6	3.2	3.9	4.0	3.8
	Marketing year ¹			1983				1984		
	1980/81	1981/82	1982/83	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept p
Corn										
Stocks, beginning (mil. bu.)	1,618	1,034	2,174	8,205	6,198	4,924	3,120	4,907	3,247	2,143
Domestic use:										
Feed (mil. bu.)	4,133	4,202	4,522	1,330	813	891	1,630	967	579	549
Food, seed, ind. (mil. bu.)	735	812	898	169	153	373	220	184	197	385
Feed grains²										
Stocks, beginning (mil. metric tons)	52.4	34.6	68.2	247.9	188.8	149.5	97.3	159.7	107.8	73.5
Domestic use:										
Feed (mil. metric tons)	123.0	128.5	139.5	39.2	25.8	25.8	51.2	30.7	18.6	16.4
Food, seed, ind. (mil. metric tons)	23.9	25.8	27.9	5.3	5.1	10.9	7.1	5.6	5.9	11.2

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² Aggregated data for corn, sorghum, oats, and barley.

Fats and oils

	Marketing year ¹			1983		1984				
	1981/82	1982/83	1983/84	Sept	Apr	May	June	July	Aug	Sept
Soybeans										
Wholesale price, No. 1 yellow,										
Chicago (\$/bu.) ²	6.24	6.11	7.90	8.85	7.87	8.54	7.87	6.79	6.50	6.10
Crushings (mil. bu.)	1,029.7	1,108.0	970	86.5	74.6	79.3	70.5	68.9	71.1	n.a.
Exports (mil. bu.)	929.1	905.2	760	53.8	68.5	56.8	41.1	39.1	30.6	n.a.
Soybean oil										
Wholesale price, crude, Decatur (cts./lb.)	19.0	20.6	33.0	34.3	32.1	39.0	36.0	30.9	29.01	n.a.
Production (mil. lb.)	10,979.4	12,040.4	10,689	945.0	846.6	906.3	794.6	788.2	819.4	n.a.
Domestic disappearance (mil. lb.)	9,536.3	9,857.3	9,600	867.0	822.9	875.0	828.6	670.4	861.1	n.a.
Exports (mil. lb.)	2,076.3	2,024.7	1,650	225.0	163.3	208.3	157.3	139.9	73.0	n.a.
Stocks, beginning (mil. lb.)	1,736.1	1,102.5	1,261	1,407.0	1,519.6	1,380.1	1,203.1	1,011.8	989.6	n.a.
Soybean meal										
Wholesale price, 44% protein, Decatur (\$/ton)	182.52	187.19	200	233.6	190.0	187.4	174.4	157.6	151.6	144.9
Production (thou. ton)	24,634.4	26,713.6	22,491	2,075.1	1,760.3	1,872.2	1,665.0	1,629.1	1,689.6	n.a.
Domestic disappearance (thou. ton)	17,714.4	19,306.0	17,300	1,587.0	1,409.4	1,548.1	1,435.3	1,377.1	1,523.6	n.a.
Exports (thou. ton)	6,907.5	7,108.7	5,450	392.5	400.1	315.5	265.7	287.7	278.8	n.a.
Stocks, beginning (thou. ton)	162.7	175.2	474	378.5	460.7	418.6	427.2	391.2	355.5	n.a.
Margarine, wholesale price, Chicago (cts./lb.)	41.4	41.4	48.3	58.5	55.2	61.1	61.6	55.6	55.5	55.2

¹ Beginning September 1 for soybeans; October 1 for soybean meal and oil; calendar year for margarine. ² Beginning April 1, 1982. prices based on 30-day delivery, using upper end of the range. n.a. = not available.

Cotton

	Marketing year ¹			1983		1984				
	1980/81	1981/82	1982/83	Sept	Apr	May	June	July	Aug	Sept
U.S. price, SLM, 1-1/16 in. (cts./lb.)²										
	83.0	60.5	63.1	71.7	75.6	79.44	75.00	67.35	63.0	61.2
Northern Europe prices:										
Index (cts./lb.) ³	93.3	73.8	76.7	89.9	88.9	88.88	83.71	78.99	75.5	73.1
U.S. M 1-3/32" (cts./lb.) ⁴	n.a.	75.9	78.0	88.1	89.6	91.25	83.00	78.94	75.9	74.0
U.S. mill consumption (thou. bales)	5,870.5	5,263.8	5,512.8	1,071.7	450.2	462.4	524.0	371.8	428.1	513.5
Exports (thou. bales)	5,925.8	6,567.3	5,206.8	339.2	762.6	589.2	448.8	387.9	478.7	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index: average of five lowest prices of 10 selected growths. ⁴ Memphis territory growths. n.a. = not available.

Fruit

	Annual			1983		1984				
	1981	1982	1983	Sept	Apr	May	June	July	Aug	Sept
Producer price indexes										
Fresh fruit (1967=100)	226.7	235.4	250.6	262.6	213.2	239.4	259.7	251.1	268.0	301.5
Dried fruit (1967=100)	405.9	409.7	409.3	413.6	408.8	404.5	405.0	405.3	357.3	360.5
Canned fruit and juice (1967=100)	273.8	283.7	286.8	288.4	309.4	313.6	315.4	315.5	315.4	311.1
Frozen fruit and juice (1967=100)	302.8	305.5	300.9	302.3	349.9	351.9	359.1	353.3	352.8	358.0
F.o.b. shipping point prices										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	11.00	*12.38	*12.50	*12.25	*12.00	*14.50	14.50
Pears, Yakima Valley (\$/box) ²	n.a.	n.a.	n.a.	10.46	*7.63	*6.88	*7.17	—	—	12.60
Oranges, U.S. avg. (\$/box) ³	11.30	14.10	14.40	10.20	13.10	18.70	21.30	22.50	23.50	22.36
Grapefruit, U.S. avg. (\$/box) ³	10.10	9.36	9.13	10.50	10.50	11.20	11.00	11.30	10.80	10.88
	Year ending			1983		1984				
	1981	1982	1983	Sept	Apr	May	June	July	Aug	Sept
Stocks, ending										
Fresh apples (mil. lb.)	2,676.1	3,082.3	2,980.6	1,750.9	912.2	396.8	237.8	97.2	7.3	1,235.1
Fresh pears (mil. lb.)	207.9	180.9	250.6	510.6	80.6	36.8	4.2	6.3	100.0	393.5
Frozen fruit (mil. lb.)	545.6	627.5	643.1	625.2	444.4	406.5	451.4	581.9	715.8	701.3
Frozen fruit juices (mil. lb.)	1,127.2	1,157.6	938.1	1,089.7	1,374.7	1,462.4	1,303.9	1,141.9	1,065.9	913.9

¹ Red Delicious, Washington, extra fancy, carton tray pack, 80-113's. ² D'Anjou, Washington, standard box wrapped, U.S. No. 1, 90-135's. ³ F.O.B. packed fresh. *Control atmosphere storage. n.a. = not available.

Vegetables

	Annual			1983	1984					
	1981	1982	1983	Sept	Apr	May	June	July	Aug	Sept
Wholesale prices										
Potatoes, white, f.o.b. East (\$/cwt.) . . .	9.39	6.05	7.76	8.91	8.66	7.05	8.13	13.90	9.37	6.79
Iceberg lettuce (\$/crt.) ¹	5.27	5.92	6.29	6.91	3.12	3.17	4.46	4.26	7.58	6.65
Tomatoes (\$/crt.) ¹	9.06	7.40	8.69	541	8.60	7.75	6.48	7.25	10.45	6.38
Wholesale price index, 10 canned veg. (1977=100)	137	137	137	137	145	145	147	144	147	146
Grower price index, fresh commercial veg. (1977=100)	135	120	129	120	136	117	112	115	149	142

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar

	Annual			1983	1984					
	1981	1982	1983	Sept	Apr	May	June	July	Aug	Sept
U.S. raw sugar price, N.Y. (cts./lb.)¹ . . .	19.73	19.92	22.04	22.20	22.03	22.01	22.06	21.89	21.72	21.70
U.S. deliveries (thou. short tons)^{2,3} . . .	9.731	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid-August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. n.a. = not available.

Tobacco

	Annual			1983	1984					
	1981	1982	1983 p	Sept	Apr	May	June	July	Aug	Sept
Prices at auctions										
Flue-cured (cts./lb.) ¹	166.4	178.6	177.9	189.3	—	—	—	—	175.0	188.0
Burley (cts./lb.) ¹	180.6	180.3	179.5	—	—	—	—	—	—	—
Domestic consumption¹										
Cigarettes (bil.)	640.0	633.0	603.0	52.5	47.4	50.3	60.5	49.4	n.a.	n.a.
Large cigars (mil.)	3.893	3.607	3.565	322.6	260.5	309.9	324.7	238.0	n.a.	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. n.a. = not available.

Coffee

	Annual			1983	1984					
	1981	1982	1983 p	Sept	Apr	May	June	July	Aug p	Sept p
Composite green price, N.Y. (cts./lb.) . . .	122.10	132.00	131.51	129.86	145.46	147.76	144.79	142.88	143.66	143.84
Imports, green bean equivalent (mil.lb.)¹ .	2.248	2.352	2.260	211	260	217	136	240	242	225F
	Annual			1983	1984					
	1981	1982	1983 p	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June p	July-Sept p
Roastings (mil. lb.)²	2.324	2.293	2.238	554	486	549	650	575	518	557

¹ Green and Processed coffee. ² Instant soluble and roasted coffee. F = Forecast. p = preliminary.

Supply and Utilization: Crops

Supply and utilization: domestic measure¹

	Area			Produc- tion	Total supply ²	Feed and resid- ual	Other domes- tic use	Ex- ports	Total use	Ending stocks	Farm price ³
	Planted	Harves- ted	Yield								
	Mil. acres		Bu/acre				Mil. bu				\$/bu
Wheat											
1980/81	80.6	71.0	33.4	2,374	3,279	51	725	1,514	2,290	989	3.91
1981/82	88.9	81.0	34.5	2,799	3,791	142	714	1,771	2,627	1,164	3.65
1982/83*	86.2	77.9	35.5	2,765	3,932	195	713	1,509	2,417	1,515	3.55
1983/84*	76.4	81.4	39.4	2,420	3,939	376	736	1,429	2,541	1,398	3.54
1984/85*	79.5	66.2	38.8	2,570	3,971	325	742	1,545	2,642	1,329	3.30- 3.55
Rice											
	Mil. acres		lb/acre				Mil. cwt (rough equiv.)				\$/cwt
1980/81	3.38	3.31	4,413	146.2	172.1	79.7	54.5	91.4	155.6	16.5	12.80
1981/82	3.83	3.79	4,919	182.7	199.6	90.0	59.6	82.0	150.6	49.0	9.05
1982/83*	3.30	3.26	4,710	153.6	203.4	89.9	54.0	68.9	131.8	71.5	8.11
1983/84*	2.19	2.17	4,598	99.7	171.9	50.0	49.7	70.3	125.0	46.9	8.50
1984/85*	2.85	2.82	5,014	141.2	189.2	70.0	55.0	68.0	130.0	59.2	8.00- 8.90
Corn											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1980/81	84.0	73.0	91.0	6,639	8,258	4,133	735	2,355	7,223	1,034	3.11
1981/82	84.1	74.5	108.9	8,119	9,154	4,202	812	1,967	6,980	2,174	2.50
1982/83*	81.9	72.7	113.2	8,235	10,410	4,522	898	1,870	7,290	3,120	2.68
1983/84*	60.2	51.4	81.0	4,166	7,288	3,716	975	1,875	6,566	722	3.20
1984/85*	79.8	71.1	105.5	7,498	8,221	4,000	1,050	2,125	7,175	1,046	2.65- 2.95
Sorghum											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1980/81	15.6	12.5	46.3	579	726	301	11	305	617	109	2.94
1981/82	15.9	13.7	64.0	676	984	428	11	249	688	296	2.39
1982/83*	16.0	14.1	59.1	835	1,131	507	10	214	731	400	2.52
1983/84*	11.7	9.8	48.7	479	879	374	10	245	629	250	2.75
1984/85*	16.2	14.2	56.6	807	1,057	450	10	250	710	347	2.40- 2.65
Barley											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1980/81	8.3	7.3	49.7	361	563	174	175	77	426	137	2.86
1981/82	9.6	9.0	52.4	474	620	198	174	100	473	148	2.45
1982/83*	9.5	9.0	57.2	516	675	241	170	47	458	217	2.23
1983/84*	10.4	9.7	52.3	508	732	278	173	92	543	189	2.50
1984/85*	12.0	11.2	53.9	606	805	275	175	100	550	255	2.15- 2.45
Oats											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1980/81	13.4	8.7	53.0	458	697	432	74	13	520	177	1.79
1981/82	13.6	9.4	54.2	510	688	453	76	7	536	152	1.89
1982/83*	14.0	10.3	57.8	593	749	441	85	3	529	220	1.48
1983/84*	20.3	9.1	52.6	477	727	466	78	2	546	181	1.69
1984/85*	12.2	8.1	58.4	472	673	400	80	3	483	190	1.60- 1.90
Soybeans											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1980/81	70.0	67.9	26.4	1,792	2,151	489	1,020	724	1,833	316	7.57
1981/82	67.8	66.4	30.1	2,000	2,318	493	1,030	929	2,052	266	6.04
1982/83*	70.9	69.4	31.5	2,190	2,444	486	1,108	905	2,099	345	5.69
1983/84*	63.8	62.5	26.2	1,636	1,981	483	983	740	1,806	175	7.75
1984/85*	68.2	66.8	29.5	1,972	2,147	487	1,000	810	1,897	250	5.75- 7.25
Soybean oil											
							Mil. lbs				c/lb
1980/81	—	—	—	11,270	12,480	—	9,113	1,631	10,744	1,736	22.7
1981/82	—	—	—	10,979	12,715	—	9,535	2,077	11,612	1,103	19.0
1982/83*	—	—	—	12,041	13,144	—	9,858	2,025	11,883	1,261	20.6
1983/84*	—	—	—	10,871	12,132	—	9,850	1,700	11,350	782	30.6
1984/85*	—	—	—	11,168	11,950	—	9,750	1,500	11,250	700	25.0- 31.0
Soybean meal											
							Thou. tons				\$/ton
1980/81	—	—	—	24,312	24,538	—	17,591	6,784	24,375	163	218
1981/82	—	—	—	24,634	24,797	—	17,714	6,908	24,622	175	183
1982/83*	—	—	—	26,714	26,889	—	19,306	7,109	26,415	474	187
1983/84*	—	—	—	22,758	23,232	—	17,477	5,500	22,977	255	188
1984/85*	—	—	—	24,065	24,320	—	18,300	5,600	23,900	420	145-165

See footnotes at end of table.

Supply and utilization--domestic measure, continued

	Area		Yield	Production	Total supply ²	Feed and residual	Other domestic use	Ex. ports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		lb./acre								c/lb
Cotton											
1980/81	14.5	13.2	404	11.1	14.1	—	5.9	5.9	11.8	\$ 2.7	74.4
1981/82	14.3	13.8	543	15.6	18.3	—	5.3	6.6	11.8	\$ 6.6	54.0
1982/83*	11.3	9.7	590	12.0	18.6	—	5.5	5.2	10.7	\$ 7.9	59.1
1983/84*	7.9	7.4	506	7.8	15.7	—	5.9	6.8	12.7	\$ 2.8	67.2
1984/85*	11.0	10.3	620	13.3	16.1	—	5.5	6.1	11.6	\$ 4.6	—

Supply and utilization—metric measure⁶

	Mil. hectares		Metric tons/ha	Mil. metric tons						\$/metric ton	
Wheat											
1980/81	32.6	28.7	2.25	64.6	89.2	1.4	19.7	41.2	62.3	26.9	144
1981/82	36.0	32.8	2.32	76.2	103.2	3.9	19.4	48.2	71.5	31.7	134
1982/83	35.4	32.0	2.39	75.3	107.0	5.3	16.8	41.1	65.8	41.2	130
1983/84	31.1	24.9	2.65	65.9	107.2	10.2	17.3	38.9	69.2	38.1	130
1984/85	32.1	26.8	1.57	70.0	108.1	18.8	17.8	42.9	71.9	36.2	121-130

Mil. metric tons (rough equiv.)

Rice											
1980/81	1.4	1.3	4.95	6.6	7.8	^a 0.4	2.5	4.2	7.1	0.7	282
1981/82	1.5	1.5	5.40	8.3	9.0	^a 0.4	2.7	3.7	6.8	2.2	200
1982/83*	1.3	1.3	5.28	7.0	9.2	^a 0.4	2.5	3.1	6.0	3.2	179
1983/84*	0.9	0.9	5.15	4.5	7.8	^a 0.2	2.3	3.2	5.7	2.1	187
1984/85*	1.2	1.1	5.62	6.4	8.6	^a 0.3	2.5	3.1	5.9	2.7	176-196

Mil. metric tons

Corn											
1980/81	34.0	29.5	5.72	168.6	209.8	105.0	18.7	59.8	183.5	26.3	122
1981/82	34.0	30.1	6.85	206.2	232.5	106.7	20.6	50.0	177.3	55.2	98
1982/83*	33.1	29.4	7.12	209.2	264.4	114.9	22.8	47.5	185.2	79.3	106
1983/84*	24.4	20.8	5.09	105.6	185.1	94.4	24.8	47.6	166.8	18.3	128
1984/85*	32.3	28.8	6.61	190.4	208.8	101.6	26.7	54.0	182.2	26.6	107-119

Feed Grain										
1980/81	49.1	41.1	4.82	198.0	250.7	123.0	23.8	69.3	216.1	34.6
1981/82	49.9	43.1	5.71	246.2	281.1	128.5	25.8	58.6	212.9	68.2
1982/83*	49.1	42.9	5.83	250.2	318.7	139.4	28.0	54.0	221.4	97.3
1983/84	41.5	32.4	4.20	136.0	234.0	116.7	29.9	55.9	202.5	31.4
1984/85*	48.6	42.3	5.46	231.0	263.0	124.8	31.9	62.5	219.3	43.7

Soybeans											
1980/81	28.3	27.5	1.78	48.8	58.5	*2.4	27.8	19.7	49.9	8.7	278
1981/82	27.4	26.9	2.03	54.4	63.1	*2.5	28.0	25.3	55.8	7.2	222
1982/83*	28.7	28.1	2.15	59.6	66.5	*2.4	30.2	24.6	57.1	9.4	209
1983/84*	25.8	25.3	1.23	44.5	53.9	*2.3	26.8	20.1	49.2	4.8	285
1984/85*	—	—	—	53.7	58.4	*2.4	27.2	22.0	51.6	6.8	210-265

Soybean oil											
1980/81	—	—	—	5.11	5.66	—	4.13	.74	4.87	.79	500
1981/82	—	—	—	4.98	5.77	—	4.33	.94	5.27	.50	419
1982/83*	—	—	—	5.46	5.96	—	4.47	.92	5.39	.57	454
1983/84*	—	—	—	4.93	5.50	—	4.38	.77	5.15	.36	675
1984/85*	—	—	—	5.07	5.42	—	4.42	.68	5.10	.32	550-685

Soybean meal											
1980/81	—	—	—	22.06	22.26	—	15.96	6.15	22.11	.15	241
1981/82	—	—	—	22.36	22.51	—	16.08	6.27	22.35	.16	201
1982/83*	—	—	—	24.24	24.39	—	17.52	6.45	23.96	.43	206
1983/84*	—	—	—	20.65	21.08	—	15.86	4.99	20.84	.23	207
1984/85*	—	—	—	21.83	22.06	—	16.60	5.08	21.68	.38	160-185

\$/kg

Cotton	5.9	5.4	.45	2.42	3.07	—	1.28	1.28	2.56	^s .59	1.64
1980/81	5.9	5.4	.45	2.42	3.07	—	1.28	1.28	2.56	^s .59	1.64
1981/82	5.8	5.5	.61	3.41	3.99	—	1.15	1.43	2.58	^s 1.44	1.19
1982/83*	4.6	3.9	.66	2.60	4.05	—	1.20	1.13	2.33	^s 1.73	1.30
1983/84*	3.2	3.0	.57	1.69	3.42	—	1.29	1.48	2.77	^s .60	1.48
1984/85*	4.5	4.2	.70	2.89	3.50	—	1.20	1.32	2.52	^s .99	—

*October 24, 1984 Supply and Demand Estimates. ¹Marketing Year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soymeal, and soyoil. ²Includes imports. ³Season average. ⁴Includes seed. ⁵Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. ⁶Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2,204.622 pounds, 36,7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ⁷Statistical discrepancy.

General Economic Data

Gross national product and related data

	Annual			1983		1984		
	1981 ¹	1982	1983	III	IV	I	II	III p
\$ Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product¹	2,957.8	3,069.3	3,304.8	3,346.6	3,431.7	3,553.3	3,644.7	3,701.2
Personal consumption expenditures	1,849.1	1,984.9	2,155.9	2,181.4	2,230.2	2,276.5	2,332.7	2,359.3
Durable goods	235.4	245.1	279.8	284.1	299.8	310.9	320.7	317.3
Nondurable goods	730.7	757.5	801.7	811.7	823.0	841.3	858.3	863.3
Clothing and shoes	114.3	118.8	127.0	126.8	132.5	136.1	142.2	139.1
Food and beverages	373.9	392.8	416.5	420.5	425.1	433.9	442.1	449.4
Services	883.0	982.2	1,074.4	1,085.7	1,107.5	1,124.4	1,153.7	1,178.7
Gross private domestic investment	484.2	414.9	471.6	491.9	540.0	623.8	627.0	660.5
Fixed investment	458.1	441.0	485.1	496.2	527.3	550.0	576.4	588.1
Nonresidential	353.9	349.6	352.9	353.9	383.9	398.8	420.8	431.5
Residential	104.3	91.4	132.2	142.3	143.4	151.2	155.6	156.6
Change in business inventories	26.0	-26.1	-13.5	-4.3	12.7	73.8	50.6	72.4
Net exports of goods and services	28.0	19.0	-8.3	-16.4	-29.8	-51.5	-58.7	-85.5
Exports	369.9	348.4	336.2	342.0	346.1	358.9	362.4	375.5
Imports	341.9	329.4	344.4	358.4	375.9	410.4	421.1	461.0
Government purchases of goods and services	596.5	650.5	685.5	689.8	691.4	704.4	743.7	766.9
Federal	228.9	258.9	289.7	289.2	266.3	267.6	296.4	307.7
State and local	367.6	391.5	415.8	420.6	425.1	436.8	447.4	459.2
1972 \$Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product	1,512.2	1,480.0	1,534.7	1,550.2	1,572.7	1,610.9	1,638.8	1,649.6
Personal consumption expenditures	950.5	963.3	1,009.2	1,015.6	1,032.4	1,044.1	1,064.2	1,064.6
Durable goods	140.9	140.5	157.5	159.6	167.2	173.7	178.6	177.0
Nondurable goods	360.8	363.1	376.3	378.5	383.2	387.1	396.6	396.1
Clothing and shoes	82.6	84.2	88.5	87.6	91.4	94.2	99.1	95.9
Food and beverages	180.9	182.3	188.9	190.9	191.2	189.7	193.6	195.6
Services	448.8	459.8	475.4	477.6	482.0	483.4	488.9	491.5
Gross private domestic investment	230.9	194.3	221.0	230.6	249.5	285.5	283.9	299.2
Fixed investment	219.6	204.7	224.6	229.8	242.2	263.9	263.7	268.0
Nonresidential	175.0	166.9	171.0	172.6	184.5	193.3	202.9	206.8
Residential	44.5	37.9	53.7	57.2	57.8	60.6	60.8	61.2
Change in business inventories	11.3	-10.4	-3.8	.9	7.2	31.6	20.3	31.2
Net exports of goods and services	43.8	29.7	12.6	11.9	2.0	-6.3	-11.4	-22.7
Exports	160.2	147.6	139.5	141.6	141.0	144.9	144.7	150.2
Imports	116.4	118.0	126.9	129.7	139.1	153.2	156.2	172.8
Government purchases of goods and services	287.0	292.7	291.9	292.0	288.8	289.5	302.1	308.4
Federal	110.3	117.0	116.2	116.5	113.0	112.2	123.2	127.4
State and local	176.8	175.7	175.7	176.4	175.8	177.3	178.9	181.1
New plant and equipment expenditures (\$bil.)	289.4	262.7	269.2	270.1	284.0	293.2	302.7	316.2
Implicit price deflator for GNP (1972=100)	195.60	207.38	215.34	215.89	218.21	220.58	222.40	224.36
Disposable income (\$bil.)	2,041.7	2,180.5	2,340.1	2,367.4	2,426.6	2,502.2	2,554.3	2,604.8
Disposable income (1972 \$bil.)	1,049.3	1,058.3	1,095.4	1,102.2	1,124.3	1,147.6	1,165.3	1,175.4
Per capita disposable income (\$)	8,874	9,385	9,977	10,082	10,318	10,608	10,806	10,993
Per capita disposable income (1972 \$)	4,561	4,555	4,670	4,694	4,776	4,865	4,930	4,961
U.S. population, total, incl. military abroad (mil.)	230.1	232.4	234.5	234.8	235.4	235.9	236.4	236.7
Civilian population (mil.)	227.9	230.1	232.3	232.6	233.2	233.7	234.2	234.5

See footnotes at end of next table.

Selected monthly indicators

	Annual		1983		1984					
	1981	1982	1983 p	Sept	Apr	May	June	July	Aug	Sept p
Monthly data seasonally adjusted except as noted										
Industrial production, total ¹ (1967=100)	151.0	138.6	147.6	153.8	162.1	162.8	164.4	165.9	166.1	165.1
Manufacturing (1967=100)	150.4	137.6	148.2	155.1	163.4	164.2	165.7	167.4	167.8	166.7
Durable (1967=100)	140.5	124.7	134.5	141.6	152.6	153.3	154.9	157.0	157.8	156.5
Nondurable (1967=100)	164.8	156.2	168.1	174.6	179.1	179.9	181.3	182.4	182.2	181.5
Leading economic indicators ^{1,3} (1967=100)	140.9	136.8	156.2	168.0	168.2	168.5	166.9	164.1	164.0	164.6
Employment ⁴ (mil. persons)	100.4	99.5	100.8	101.9	104.4	105.3	105.7	105.4	105.0	105.2
Unemployment rate ⁴ (%)	7.5	9.5	9.5	9.2	7.7	7.5	7.1	7.5	7.5	7.4
Personal income ⁵ (\$ bil., annual rate)	2,429.5	2,584.6	2,744.2	2,785.0	2,968.5	2,978.8	3,006.5	3,026.8	3,045.1	3,071.1
Hourly earnings in manufacturing ^{4,5} (\$)	7.99	8.50	8.83	8.89	9.11	9.11	9.14	9.18	9.14	9.22
Money stock-M1 (daily avg.) (\$bil.) ⁶	\$440.6	\$478.2	\$525.3	518.9	535.3	541.0	546.2	545.8	546.3	549.0
Money stock-M2 (daily avg.) (\$bil.) ⁶	\$1,794.9	\$1,959.5	\$2,196.2	2,147.9	2,242.7	2,258.4	2,272.0	2,281.3	2,290.2	2,305.3
Three-month Treasury bill rate ² (%)	14.029	10.686	8.63	9.05	9.69	9.90	9.94	10.13	10.49	10.41
Aaa corporate bond yield (Moody's) ^{5,7} (%)	14.17	13.79	12.04	12.37	12.81	13.28	13.55	13.44	12.87	12.66
Interest rate on new home mortgages ^{8,9} (%)	14.70	15.14	12.57	12.54	12.04	12.18	12.10	12.50	12.43	12.53
Housing starts, private (incl. farm) (thou.)	1,084	1,062	1,703	1,679	2,015	1,794	1,877	1,754	1,539	1,676
Auto sales at retail, total ¹ (mil.)	8.5	8.0	9.2	9.0	10.2	11.0	10.8	10.6	10.0	10.3
Business sales, total ¹ (\$ bil.)	355.8	343.5	367.1	379.2	405.9	412.7	414.1	411.4	410.7p	—
Business inventories, total ¹ (\$ bil.)	523.6	505.5	514.3	507.0	541.1	545.9	546.8	551.4	556.0p	—
Sales of all retail stores (\$ bil.) ⁹	87.0	89.5	97.8	99.5	107.5	108.2	109.3	107.4	106.8p	106.5
Durable goods stores (\$ bil.)	26.3	27.0	32.1	32.9	37.4	37.9	38.7	37.5	36.7p	36.9
Nondurable goods stores (\$ bil.)	60.7	62.5	65.7	66.6	70.1	70.3	70.6	70.0	70.2p	71.6
Food stores (\$ bil.)	19.9	20.8	21.6	21.9	22.9	22.8	23.0	23.2	22.9p	23.5
Eating and drinking places (\$ bil.)	8.2	8.6	9.6	9.8	10.3	10.2	10.4	10.5	10.7p	10.8
Apparel and accessory stores (\$ bil.)	4.2	4.3	4.5	4.5	5.0	5.0	5.1	4.9	4.8p	5.0

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ⁹ Adjusted for seasonal variations, holidays, and trading day differences. p = preliminary. r = revised.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual		1983		1984					
	1981	1982	1983	Sept	Apr	May	June	July	Aug	Sept
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.80	4.38	4.30	4.26	4.30	4.19	4.12	4.05p	4.18	4.28
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	3.40	2.80	3.49	3.84	3.81	3.73	3.74	3.63p	3.56	3.43
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	3.28	2.81	3.34	3.59	3.00	3.39	3.16	2.93p	2.78	2.72
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.40	6.36	7.31	9.06	8.25	8.81	8.09	7.00p	6.98	6.47
Soybean oil, Decatur (cts./lb.)	21.07	18.33	23.51	34.31	32.06	38.66	35.60	30.43	28.88	27.54
Soybean meal, Decatur (\$/ton)	218.66	179.70	200.91	232.70	188.41	188.45	174.45	158.05	151.35	144.55
Cotton, 10 market avg. spot (cts./lb.)	71.93	60.10	68.68	71.66	75.64	79.44	75.00	67.35	63.01	61.16
Tobacco, avg. price of auction (cts./lb.)	156.48	172.20	173.96	180.55	166.06	166.06	166.06	166.06	174.92	188.03
Rice, f.o.b. mill, Houston (\$/cwt.)	25.63	18.89	19.39	19.65	20.10	19.50	19.50	19.50	19.50p	19.50p
Inedible tallow, Chicago (cts./lb.)	15.27	12.85	13.41	14.88	17.00	19.13	20.00	17.10	16.25	16.94
Import commodities										
Coffee, N.Y. spot (\$/lb.)	1.27	1.41	1.33	1.30	1.48	1.48	1.47	1.45	1.45	1.46
Sugar, N.Y. spot (cts./lb.)	19.73	19.86	22.04	22.20	22.03	22.00	22.06	21.89	21.72	21.70
Rubber, N.Y. spot (cts./lb.)	56.79	45.48	56.19	59.90	56.44	51.16	47.50	46.49	46.45	46.30
Cocoa beans, N.Y. (\$/lb.)90	.75	.92	.93	1.13	1.19	1.08	.97	.99	1.04
Bananas, f.o.b. port of entry (\$/40-lb. box)	7.28	6.80	7.93	7.70	7.52	7.73	8.33	6.65	6.16	6.88

p = preliminary. n.a. = not available.

U.S. agricultural exports by regions

Region and country	October-August		August		Change from year earlier	
	1982/83	1983/84	1983	1984	October-August	August
	\$ Mil.				Percent	
Western Europe	9,381	8,707	716	402	-7	-44
European Community	7,082	6,273	546	307	-11	-44
Belgium-Luxembourg	745	774	83	63	4	-24
France	484	491	25	16	1	-36
Germany, Fed. Rep.	1,364	1,181	99	33	-13	-67
Italy	750	733	40	31	-2	-23
Netherlands	2,616	2,119	149	85	-19	-43
United Kingdom	746	682	100	34	-9	-66
Other Western Europe	2,298	2,434	169	95	6	-44
Portugal	591	680	72	26	15	-64
Spain	1,056	1,180	55	41	12	-26
Switzerland	324	297	12	14	-8	17
Eastern Europe	778	700	50	67	-10	34
German Dem. Rep.	116	127	0	7	10	100
Poland	217	187	12	19	-14	58
USSR	973	2,189	5	226	125	4,420
Asia	12,401	14,083	974	1,073	14	10
West Asia (Mideast)	1,350	1,680	119	155	24	30
Turkey	23	191	1	19	730	1,800
Iraq	292	381	27	42	31	56
Israel	272	330	22	17	21	-23
Saudi Arabia	407	442	41	48	9	17
South Asia	1,088	785	45	19	-28	-58
India	747	356	14	10	-52	-29
Pakistan	160	257	27	8	61	-70
East and Southeast Asia	9,963	11,619	810	900	17	11
China	546	616	0	70	13	100
Taiwan	1,097	1,334	83	121	22	46
Japan	5,329	6,469	469	487	21	4
Korea, Rep.	1,575	1,708	135	116	8	-14
Hong Kong	320	376	28	33	18	18
Indonesia	372	409	37	27	10	-27
Philippines	346	255	33	20	-26	-39
Africa	2,027	2,560	230	198	26	-14
North Africa	1,300	1,337	124	118	3	-5
Morocco	200	301	9	11	51	22
Algeria	187	138	22	4	-26	-82
Egypt	828	772	66	77	-7	17
Other Africa	727	1,223	106	80	68	-24
Nigeria	300	318	45	26	6	-42
Rep. S. Africa	106	513	18	17	384	-6
Latin America and Caribbean	4,331	4,891	462	453	13	-2
Brazil	368	397	31	55	8	77
Caribbean Islands	698	753	62	67	8	8
Colombia	225	206	17	17	-8	0
Mexico	1,609	1,857	209	150	15	-28
Peru	214	220	16	16	3	0
Venezuela	549	730	44	60	33	36
Canada	1,701	1,770	160	154	4	-4
Oceania	205	197	19	13	-4	-32
Total¹	31,796	35,087	2,613	2,587	10	-1

¹ Totals may not add due to rounding.

U.S. agricultural imports

	October-August				August			
	1982/83	1983/84	1982/83	1983/84	1983	1984	1983	1984
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.)	1,476	1,759	515,941	549,400	159	166	42,678	48,830
Meats and preps., excl. poultry (mt)	861	820	1,921,121	1,751,326	82	90	175,715	186,456
Beef and veal (mt)	606	498	1,269,736	1,058,139	59	56	127,897	115,273
Pork (mt)	230	298	592,216	636,723	20	31	42,667	66,144
Dairy products (mt)	255	328	631,086	692,655	15	40	43,302	66,810
Poultry and products	—	—	81,982	112,548	—	—	9,398	9,180
Fats, oils, and greases (mt)	10	16	5,573	10,235	2	1	889	1,015
Hides and skins, incl. furskins	—	—	178,846	201,545	—	—	7,679	12,244
Wool, unmanufactured (mt)	35	55	114,660	182,661	3	3	10,683	10,850
Grains and feeds (mt)	1,455	1,624	417,637	482,036	161	170	40,088	43,506
Fruits, nuts, and preparations	—	—	1,739,538	2,101,337	—	—	157,197	162,711
Bananas and plantains (mt)	2,337	2,547	545,616	622,807	198	193	49,162	48,069
Vegetables and preparations (mt)	1,559	1,977	987,441	1,225,557	88	99	48,365	79,647
Tobacco, unmanufactured (mt)	227	175	506,247	517,999	12	17	32,037	48,320
Cotton, unmanufactured (mt)	8	27	6,840	15,121	1	4	1,305	2,571
Seeds (mt)	83	80	86,193	91,787	1	2	3,463	4,837
Nursery stock and cut flowers	—	—	199,446	258,176	—	—	14,856	18,460
Sugar, cane or beet (mt)	2,257	2,676	860,741	1,078,404	175	193	67,634	82,492
Oilseeds and products (mt)	918	1,052	468,791	725,468	78	76	74,154	74,513
Oilseeds (mt)	159	280	71,765	89,483	10	7	5,690	4,297
Protein meal (mt)	80	109	12,984	19,687	9	2	1,453	325
Vegetable oils (mt)	679	732	384,042	616,297	59	67	67,011	69,891
Beverages excl. fruit juices (hl)	10,845	12,240	1,201,757	1,372,727	1,062	1,333	89,858	114,904
Coffee, tea, cocoa, spices, etc. (mt)	1,562	1,613	3,637,455	4,340,063	107	148	258,338	409,265
Coffee, incl. products (mt)	967	1,039	2,582,784	3,038,455	77	108	209,292	328,813
Cocoa beans and products (mt)	441	408	777,370	937,260	22	28	45,246	69,679
Rubber and allied gums (mt)	609	740	534,271	785,423	32	58	33,667	59,843
Other	—	—	867,671	822,494	—	—	271,705	118,872
Total	—	—	14,963,237	17,316,962	—	—	1,383,011	1,555,326

Trade balance

	October-August		August	
	1982/83	1983/84	1983	1984
\$ Mill.				
Exports				
Agricultural	31,796	35,097	2,613	2,587
Nonagricultural	145,866	155,844	12,639	14,267
Total ¹	177,662	190,941	15,252	16,854
Imports				
Agricultural	14,963	17,317	1,383	1,555
Nonagricultural	209,091	269,068	21,694	25,337
Total ²	224,054	286,385	23,077	26,892
Trade balance				
Agricultural	16,833	17,780	1,230	1,032
Nonagricultural	-63,225	-113,224	-9,055	-11,070
Total	-46,392	-95,444	-7,825	-10,038

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Imports for consumption (customs value).

U.S. agricultural exports

	October-August				August			
	1982/83	1983/84	1982/83	1983/84	1983	1984	1983	1984
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.)	675	679	243,018	191,630	90	63	73,927	25,679
Meats and preps., excl. poultry (mt)	374	386	846,837	850,320	29	34	65,678	78,491
Dairy products (mt)	300	366	315,914	343,574	28	44	29,828	37,938
Poultry meats (mt)	229	204	253,753	256,864	15	20	18,253	22,825
Fats, oils, and greases (mt)	1,320	1,277	538,186	641,553	124	114	51,822	60,791
Hides and skins incl. furskins	—	—	922,450	1,223,567	—	—	62,596	99,965
Cattle hides, whole (no.)	20,257	22,450	645,931	928,309	1,472	1,996	53,245	87,061
Mink pelts (no.)	2,397	2,502	60,892	66,047	32	38	704	959
Grains and feeds (mt)	93,051	97,027	13,609,624	15,605,406	7,008	8,842	1,123,469	1,370,092
Wheat and wheat flour (mt)	34,810	36,137	5,821,941	5,730,580	2,547	4,004	409,908	602,112
Rice (mt)	1,980	2,024	772,381	799,928	230	191	86,507	71,776
Feed grains, excl. products (mt)	48,915	51,513	5,834,927	7,622,225	36,380	3,996	509,766	576,786
Feeds and fodders (mt)	6,552	6,597	1,085,929	1,147,856	510	596	86,890	95,639
Other grain products (mt)	794	756	294,436	304,817	83	55	30,398	23,779
Fruits, nuts, and preparations (mt)	1,955	1,781	1,719,427	1,651,485	140	129	136,721	134,930
Vegetables and preparations (mt)	1,476	1,428	918,549	933,019	96	89	63,686	62,730
Tobacco, unmanufactured (mt)	232	209	1,399,641	1,325,856	17	9	107,190	53,501
Cotton, excl. linters (mt)	1,062	1,420	1,568,180	2,290,039	87	104	137,004	177,336
Seeds (mt)	246	234	304,246	302,764	18	13	21,789	18,762
Sugar, cane or beet (mt)	90	272	24,088	70,610	42	15	10,681	4,459
Oilseeds and products (mt)	32,274	26,199	8,054,001	8,322,223	2,149	1,184	618,233	355,250
Oilseeds (mt)	24,514	19,867	5,870,216	6,085,942	1,639	862	481,830	245,063
Soybeans (mt)	23,056	18,682	5,428,908	5,576,967	1,638	835	444,962	231,055
Protein meal (mt)	6,307	4,972	1,383,698	1,204,516	308	267	74,593	56,113
Vegetable oils (mt)	1,454	1,360	800,087	1,031,765	103	55	61,810	54,074
Essential oils (mt)	9	10	80,373	89,845	1	1	7,565	8,532
Other	—	—	997,928	997,783	—	—	85,047	75,298
Total	—	—	31,796,195	35,096,538	—	—	2,613,489	2,586,579

Indexes of nominal and real trade-weighted dollar exchange rates

	1983			1984								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
April 1971=100												
Total agriculture												
Nominal ¹	429.8	454.4	478.4	505.7	538.8	580.4	618.9	661.8	710.1	770.3	823.2	899.2
Real ²	95.0	96.2	97.3	97.2	96.5	*94.4	*95.5	*97.7	*98.0	*100.4	*100.3	102.7
Soybeans												
Nominal	148.8	152.3	155.3	157.5	155.1	152.9	155.0	162.2	162.4	166.8	168.0	172.6
Real	89.9	91.7	93.4	94.6	92.1	*89.3	*90.3	*93.1	*93.4	*96.5	*97.1	100.5
Wheat												
Nominal	1,713.1	1,843.4	1,972.7	2,126.0	2,333.9	2,588.1	2,802.5	3,017.9	3,304.7	3,645.3	3,957.5	4,394.2
Real	101.5	102.2	102.2	102.7	102.2	*101.0	*102.2	*103.3	*104.0	*105.1	*104.7	105.8
Corn												
Nominal	424.5	448.3	471.1	497.1	526.7	563.2	598.6	640.6	684.1	740.4	789.2	860.0
Real	93.7	95.3	96.6	97.7	95.4	*92.7	*93.6	*96.4	*96.5	*99.4	*99.8	102.8
Cotton												
Nominal	163.4	180.2	181.4	182.5	181.4	180.4	184.0	185.8	187.2	190.3	191.1	193.1
Real	91.6	92.6	93.3	93.6	92.8	*91.6	*92.1	*93.3	*94.4	*96.4	*96.6	97.7

¹ Nominal values are percentage changes in currency units per dollar, weighted by proportion of agricultural exports from the United States. An increase indicates that the dollar has appreciated. ² Real values are computed in the same way as the nominal series, adjusted for CPI changes in the countries involved.

*Preliminary; assumes the same rate of CPI increase/decrease as the previous six months.

World Agricultural Production

World supply and utilization of major crops

	1978/79	1979/80	1980/81	1981/82	1982/83 p	1983/84 F	1984/85 F
	Mil. units						
Wheat							
Area (hectare)	228.9	227.6	236.5	239.5	238.9	228.3	230.2
Production (metric ton)	446.8	422.8	442.7	448.6	478.6	488.8	500.4
Exports (metric ton) ¹	72.0	86.0	94.1	101.3	98.3	102.4	105.2
Consumption (metric ton) ²	430.2	443.5	445.3	441.7	467.1	483.9	499.9
Ending stocks (metric ton) ³	100.9	80.4	78.5	85.4	96.9	101.8	102.3
Coarse grains							
Area (hectare)	342.8	341.1	336.6	344.1	332.9	331.4	335.2
Production (metric ton)	753.6	741.5	732.0	768.7	778.9	688.5	784.2
Exports (metric ton) ¹	90.2	98.8	108.8	98.5	91.5	91.0	100.5
Consumption (metric ton) ²	748.1	740.3	741.6	739.7	753.2	756.0	770.5
Ending stocks (metric ton) ³	91.2	91.6	83.3	112.4	138.1	70.7	84.3
Rice, milled							
Area (hectare)	144.1	143.1	144.3	145.1	140.7	144.7	145.5
Production (metric ton)	260.7	253.9	271.0	280.5	285.3	306.3	307.5
Exports (metric ton) ¹	11.6	12.7	13.1	11.6	11.8	12.4	11.6
Consumption (metric ton) ²	255.8	257.8	272.2	281.2	289.7	306.0	306.4
Ending stocks (metric ton) ³	27.7	23.4	22.1	21.2	16.8	17.1	18.5
Total grains							
Area (hectare)	715.8	711.8	717.4	728.7	712.5	704.4	710.9
Production (metric ton)	1,461.1	1,418.2	1,445.7	1,497.8	1,542.8	1,483.6	1,592.1
Exports (metric ton) ¹	173.8	197.5	216.0	211.4	201.6	205.8	217.3
Consumption (metric ton) ²	1,434.1	1,441.9	1,459.1	1,462.6	1,510.0	1,545.9	1,576.8
Ending stocks (metric ton) ³	219.8	195.4	183.9	219.0	251.8	189.6	205.1
Oilseeds and meals⁴							
Production (metric ton)	82.1	90.6	87.7	93.4	95.7	92.6	97.2
Trade (metric ton)	40.6	51.8	48.3	54.0	55.4	51.7	54.2
Fats and oils⁵							
Production (metric ton)	48.5	52.0	52.6	55.3	57.3	57.0	59.4
Trade (metric ton)	19.3	20.7	19.6	21.2	21.5	20.7	22.2
Cotton							
Area (hectare)	32.4	32.2	32.4	33.2	32.1	31.7	33.9
Production (bale)	59.6	65.2	64.8	70.8	67.4	67.3	77.1
Exports (bale)	19.7	23.1	19.7	20.2	19.3	19.3	20.1
Consumption (bale)	62.0	65.3	65.9	65.5	67.9	68.5	69.8
Ending stocks (bale)	24.1	24.0	24.1	28.7	25.0	24.4	31.3

F = Forecast. p = preliminary. ¹ Excludes intra-EC trade. ² Where stocks data not available (excluding USSR), consumption includes stock changes. ³ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁴ Soybean meal equivalent. ⁵ Calendar year data. 1979 data correspond with 1978/79, etc. Excludes safflower, sesame, and castor oil.

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1985 Outlook Conference Schedule—December 3, 4, and 5

MONDAY, DEC. 3

<u>Jefferson Aud.</u>	<u>Commerce Aud.</u>	<u>Room 107A</u>	<u>Room 1E-245</u>
10:00-10:15 Welcome			
10:15-11:00 The Economy			
11:00-11:45 Agricultural Outlook			
1:00-2:00 —		Futures Trading	
2:00-2:45 Trade Outlook			Measuring Poverty (2:30-4:00)
3:00-5:00 Domestic Farm Policy Environ			

TUESDAY, DEC. 4

9:00 Noon The New Farm Bill		
1:00-2:00 Food Grains		
2:15-3:15 Feed Grains		Fruit/Vegetables
3:30-4:30 Farm Economy		Grains Follow-up

WEDNESDAY, DEC. 5

8:30-9:30 Oilseeds			Mktg./Food Prices
9:45-10:45 Sweeteners			Ag Inputs
11:00-12:30 Livestock & Poultry	Cotton (11:00-12:00)	Oilseeds Follow-up Sweeteners Follow-up	
1:30-2:30 Dairy			Tobacco
2:45 Major Impacts on Ag Trade (till 5:00)	Transportation (3:30-5:00)	Livestock/Dairy Follow-up (till 3:45)	